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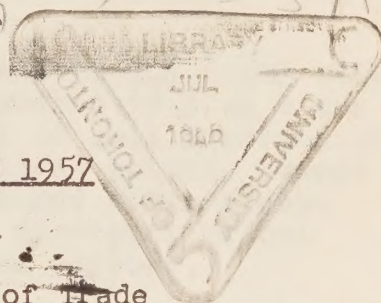
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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
(OTTAWA - CANADA)



No. 58/1

REVIEW OF CANADA'S ECONOMY IN 1957

by

Mr. Gordon Churchill, Minister of Trade
and Commerce, December 26, 1957.

CANADA'S ECONOMY IN 1957

In the year now ending, Canadians have been witnessing the culmination of a surge of expansion centered in material-producing industries and extending to all segments of the economy. The current phase of this expansion began in 1955, in response to world-wide pressure for more materials to provide for the rising levels of industrial production throughout the world. Substantial additions to capacity are now in operation or are nearing completion in all major resource industries. In some instances this new capacity will provide primarily for domestic needs. A major portion, however, is directed toward export markets. This industrial build-up has been the dominant stimulus underlying the high level of economic activity during the last few years.

With this expansion still at its height, international commodity markets have turned softer partly because of expanding world capacities and partly because of a levelling off in demand. In the United States, industrial output has been declining since the beginning of the year. The upward trend of output in Western Europe has slackened perceptibly in the last two years. In the United Kingdom, as in some other European countries, the intensification of measures to restrict internal demand has adversely affected imports of materials. In response to these changing influences weakness appeared in some commodities in 1956 and subsequently has spread to most of the agricultural, forest and mineral products important in Canada's export trade. As a consequence, the overall trend of Canada's exports has levelled off which, in turn, has had a dampening effect upon new expansion in resource fields. In addition, housing construction during 1957 has been below the unusually high levels of the two preceding years. Despite these adverse influences overall capital expenditure has continued to increase in 1957. However, the

rate of increase has been slower and the volume of new work coming forward has been declining. This change in trend, appearing at a time when additions to manpower and other productive resources have been unusually large, has had a moderating effect upon the tempo of general business activity.

Production and Employment

Gross National Product (which represents the total value of all goods and services produced) has increased by 3 or 4 per cent this year compared to last. Nearly all of this increase is a reflection of higher prices. Overall physical output, except for the decline in crop production, has remained about stable since the fourth quarter of 1956. However, divergent output trends have prevailed in the major industrial sectors.

Activity in the principal services lines (which account for about one-half of total employment) has continued to expand. Easier labour market conditions have permitted further rounding out in these industries which, in preceding years, had been restricted by man-power shortages.

On the other hand, mining and manufacturing output, taken as a whole, have been declining since early in the year. Although the demand for mineral and forest products has weakened during 1957, output of many of the major commodities in this group will be higher on the basis of a full year-over-year comparison. Elsewhere in manufacturing, industries showing increased output for 1957 include food and beverages, clothing and leather footwear, chemicals, business, electrical and industrial machinery, primary iron and steel and railway transportation items. In some of these industries, however, activity has fallen off in recent months. Conditions affecting construction material producers have differed. Many of the items used mainly for housing have been in over supply since the early part of the year. Despite a slightly expanded domestic market, output of primary textiles has declined in the face of rising imports for each of the principal types of fabric. Sales and production of both automobiles and commercial vehicles are somewhat below last year's levels, but demand for European-type cars has continued upward. Household appliance producers have had a relatively poor year. Fewer housing completions and more stringent consumer credit conditions have adversely affected the market for these items. Although domestic producers have, in general, held their own against imports, production of all major appliance items (except freezers) is down. Operations in the farm implement industry have remained at a relatively low level, reflecting the below average crop in the West and lower farm incomes.

Total employment has averaged about $2\frac{1}{2}$ per cent higher this year compared to last although this margin of increase has narrowed in recent months. Despite this rise in the number of persons with jobs, unemployment also has increased. The November level of persons without jobs and seeking work amounted to 5 per cent of the labour force; double the proportion one year ago.

More manpower has become available in 1957 than in any previous post-war year, Canada's labour force having increased by more than 200,000 persons. Approximately 280,000 immigrants entered Canada during 1957 compared with 165,000 in 1956 and 194,000 in 1951, the previous post-war high. More than one-half of this number represents employable persons, the rest consisting of dependents. The great bulk of these new Canadians arrived during the spring and summer months, and despite softer labour market conditions nearly all were quickly absorbed into jobs.

Incomes and Consumption

Personal incomes, in aggregate, continued upward during 1957. Despite shorter working hours, increased employment and higher wage rates have given a further substantial boost to employee earnings. Total labour income, though now levelling off, rose by 9 per cent in the first three-quarters of this year, compared to last. Interest, dividends and other forms of personal investment income increased by about the same percentage. Earnings in the professions and in small businesses generally have been sustained. Social security payments, which normally reflect population changes, have been bolstered by higher pension rates. Alone of the principal forms of personal income, returns to farmers have been lower during the past year. However, improved market prospects for wheat and rising production of animal products may soon reverse this trend. Meanwhile advances on farm-stored grain will give support to the cash position of Western farmers.

Overall personal income in the first nine months of 1957 has increased by nearly 7 per cent compared with last year. Consumer prices between these two periods rose by more than 3 per cent. Accordingly, real purchasing power was higher by about 3 per cent and on a per capita basis almost held even. Most of this change was reflected in spending on consumer items, particularly services, food and other soft goods. Outlays for durable items, as a group, changed little compared with the previous year. Consumer credit, which had risen markedly in preceding years, showed little further increase during 1957. Personal saving in all forms rose moderately.

Capital Investment

On the basis of intentions at mid-year, capital outlays planned for 1957, both private and public, amounted to \$8.8 billion, 11 per cent above the 1956 figure. Housebuilding has proceeded more rapidly than anticipated at that time. Non-residential construction appears to have gone ahead about as planned. On the other hand acquisition of new machinery and equipment has not held up to the levels indicated earlier. It now appears that overall capital expenditure may fall a little short of mid-year intentions. Investment costs have increased about 2½ per cent between the two years.

Investment outlays during the past year, as in 1956, have been unusually large in resource industries and related developments. These expenditures have been directed toward the creation of extensive new capacity in such fields as oil and natural gas, pulp and paper, chemicals, non-ferrous metals, uranium, electric power and various forms of transportation and communication. An unusually large number of expansion projects were started in 1955 and 1956 and many of these, if not already completed, are in a relatively advanced stage. Meanwhile the amount of new work started during 1957 has been less than in either the two preceding years and the carry-over of uncompleted work at the present time is below that of a year ago.

Residential construction has been lower in 1957 than in either of the two preceding years. Housebuilding activity was at a relatively low level in the first part of 1957 following a substantial decline in starts during the preceding year. Subsequently, the volume of housing starts has risen sharply, and by the last quarter is close to the average 1955 level. For 1957 as a whole, it is estimated that close to 120,000 new housing units have been started, compared with 126,000 in the previous year. The present carry-over of uncompleted houses is at least as high as a year ago.

Foreign Trade

World trade has not expanded as rapidly in 1957 as in the two preceding years. Trade in highly manufactured products has continued to mount. However, world markets for most raw and processed materials have softened. In addition, measures adopted by the United States to dispose of agricultural surpluses have adversely affected sales of other countries exporting farm products. In these circumstances, Canada has not experienced as good a trade year as have other more industrialized countries.

On the basis of ten-month figures, the overall value of Canada's merchandise exports has changed little from the \$4.86 billion level of last year. However, sharp ups-and-downs have occurred in certain commodities. Receipts from the sale of wheat, which had increased sharply in 1956, have declined this year though remaining above the 1955 value. Market prospects have been improving recently. Several of the larger wheat-producing countries have smaller crops this year. In addition, the United States had discontinued certain of the more damaging practices previously used to dispose of surplus wheat. Other items showing relatively large declines during the past year include lumber, which was adversely affected by less residential construction in the United States, and in the early part of the year by high ocean freight rates; copper, which has declined substantially in price; and aircraft, following completion of certain orders. Newsprint exports, although higher in the early part of the year, have recently declined moderately as a result of slightly lower consumption in the United States and liquidation of excessive stocks. All base metals are in much easier supply in the international market, nickel being the only item in this group to show higher sales. Oil exports have increased by about

40 per cent this year compared to last, following the completion of additional transmission outlets. During the present year, however, North American consumption of petroleum products has levelled off and, with the re-opening of the Suez Canal, crude petroleum has moved into surplus supply. Since early in the year, therefore, the quantity of Canadian oil moving into the United States market has declined. Exports of uranium ore have increased three-fold in the past year and a further substantial rise is in sight for 1958. On the other hand, the upward trend in iron ore shipments has been limited by a decline in North American steel production. Other items showing significant increases during 1957 include oilseeds, live beef, primary steel and some types of machinery.

Total imports, as in the case of exports, have remained about the same in the first ten months of this year, compared to last, but recently have been declining. In 1956, excessive demand pressures in Canada caused a sharp upsurge in imports, particularly for investment goods, such as machinery and equipment and steel. With business investment now levelling off and with Canadian factories no longer pressed to capacity, imports of these items are declining. Also less American-type automobile products have been purchased in the current year.

The geographic pattern of Canada's trade has undergone moderate though significant changes. Exports to the United States have shown a firmer trend than have imports, and Canada's merchandise deficit with that country, though still running in excess of \$1.1 billion annually, is about \$100 million less than in the previous year. On the other hand, trade with the United Kingdom and the rest of the Commonwealth has moved in the opposite direction, exports being down and imports up. The rise in imports from Britain (8 per cent on a ten-month basis) has consisted principally of automobiles, pipe and other rolling mill products, electrical and industrial equipment and woollens. Trade with Canada's next best customers, Germany and Japan, has continued to increase in both directions. The larger volume of exports to Germany has consisted in part of aluminum, oilseeds, barley and iron ore, and to Japan of pig iron, scrap iron, oilseeds, barley and non-ferrous metals. In addition, markets for Canadian goods have expanded in several other West European and Latin American countries. Items imported from these various sources in larger quantities include European-type automobiles, industrial equipment and a variety of finished consumer items.

Canada's imbalance on commodity trade, though little changed in 1957 to date, has been declining during the latter part of the year. On the other hand, the deficit on non-merchandise items has increased. For the first three-quarters of the year, the overall deficit on current transactions amounted to \$1,117 million, compared with \$1,002 million in the same period a year ago.

Since the beginning of the year, there has been little change in official holdings of gold and U.S. dollars and the deficit on current transactions has been met by a continuing net inflow of capital funds. In recent months, a decline in this inflow has been evident, arising from reduced sales of new issues in the United States. There has also been a decline in the external value of the Canadian dollar, to a premium of less than 2 per cent on the U.S. dollar.

Prospects for the Coming Year

At year-end the economic situation in Canada is one of high activity but increasing slack in a number of industries. Total employment has moved upward and production has been sustained throughout most of 1957, but both are seemingly edging downward at the end of the year. The trend of overall sales has not been commensurate with the substantial rise in productive capacities. For the months immediately ahead, there is little indication of any basic change in this situation. On the one hand there are strong underlying supports in the economy. At the same time there is little evidence of forces which would quickly generate new strength in the traditionally dynamic areas of exports and investment.

In view of the currently uncertain trend of activity in the United States, and with a number of other countries beset with underlying foreign exchange problems, there is little likelihood of significant strengthening in world commodity markets. Despite these conditions, there are several items which will probably be exported in larger quantities next year, uranium being the notable example. Such increases will probably be sufficient to offset declines elsewhere. Consequently, the overall trend of exports, though subject to temporary fluctuations, should be fairly well maintained.

What is presently known of capital expenditure plans suggests a moderately lower volume of business investment in the coming year. The principal declines will occur in material-processing industries and some forms of transportation, while increases are in prospect for some service and utility groups. In addition, there are indications of a rise in residential and institutional building and also of more work to be done by way of local improvements. On the basis of these preliminary indications, the overall volume of construction in 1958 should be as large as in the previous year. On the other hand, outlays for machinery and equipment should be lower. This had already been reflected in reduced orders and lower activity in a number of equipment industries. However, because of the large import content in Canada's equipment requirements, the full impact of reduced investment of this type does not fall on domestic industries.

In the market situation ahead, consumer demand will be an important sustaining influence. Consumer income, traditionally less vulnerable than most other indicators to contractionary

influences, has been given additional support by way of higher social security payments and lower taxes.

Periods of economic adjustment are usually characterized by greater business caution in the matter of purchasing and inventory policies, which temporarily accentuates contractionary tendencies. Despite the existence of strong sustaining factors, the present situation may prove no exception in this regard. In such periods, however, it is important to keep constantly in mind the more fundamental considerations which underlie current economic trends.

As previously indicated, the present pause in expansion comes about as a result of the fact that Canada is approaching a phase of development in which, for the time being, less resources are required for the build-up of basic industries. There would appear to be no dearth of uses to which these resources can be diverted. A tremendous volume of new capital facilities is needed to supplement and round out the basic expansion which has taken place. In fact the greater availability of investment resources provides an opportunity to get ahead with public improvements which have been lagging in recent years. Apart from these institutional requirements, the potential needs of consumers are virtually inexhaustible.

It would be a mistake, however, to assume that this redirection of resources will take place automatically without effort or strain. Intensified business planning and aggressive salesmanship may be necessary to convert the latent buying power which exists in the economy into new markets for goods and services. In this way, available resources would be put to use and transformed into higher living standards for Canadians at large.

A number of new federal measures already implemented or proposed will facilitate this transition. Such measures include: More mortgage funds for would-be home-owners and relaxation of minimum requirements for loans under the National Housing Act, re-assessment of tax-sharing and other financial relationships with the provinces, financial aid to power development in the Maritimes, advances on farm-stored grain to Western grain producers, a more comprehensive system of supports to farm producers, extension of unemployment insurance benefits, increased pension rates, and reduced taxes. Each of these measures, in addition to meeting the specific need for which it is designed, serves the general purpose of supporting the financial position of individual Canadians.

Such action on the part of the Federal Government will facilitate but will not in itself accomplish the adjustments necessary for the renewal of sound economic growth. This will require insight, initiative and adaptability on the part of all groups in the community.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS,
(OTTAWA - CANADA)

No. 58/2 HYDRO-ELECTRIC PROGRESS IN CANADA, 1957

A bulletin released December 31, 1957, by Mr. Alvin Hamilton, Minister of Northern Affairs and National Resources.

Construction of hydro-electric plants in Canada continued to accelerate during 1957 as a result of increasing power demands. The total of 1,501,560 hp. of new capacity added during the year represents the second highest annual increase to date. Other installations currently under construction are expected to add about 2,200,000 hp. of new capacity during 1958 and more than 4,300,000 hp. in the succeeding few years. The greatest increases to individual plant capacities during 1957 occurred at the Bersimis I plant of the Quebec Hydro-Electric Commission and at the Kermano-Kitimat plant of the Aluminum Company of Canada, Limited, each of which brought into operation 300,000 hp. of new capacity. In addition, there are several sites with large potential capacities, which are currently under investigation and on which it is probable that development will be undertaken within a few years time. The total installed capacity of water-power plants in Canada is now listed at 19,871,008 hp. which, however, represents less than 28% of total resources.

In addition to hydro-electric developments, the building of new thermal-electric plants and extensions was increasing in some areas of the country; the construction of main transmission lines, distribution lines and substation capacity also proceeded vigorously during the year. A review of the year's activities in hydro-electric and thermal-electric construction and in distribution facilities, both by utilities and by industrial establishments, is given below by provinces.

Copies of this annual bulletin may be obtained free of charge from the Director, Water Resources Branch, Department of Northern Affairs and National Resources, Ottawa.

British Columbia

Hydro-electric construction was very active in British Columbia where the total of 607,500 hp. of new capacity installed

during the year was the highest among the provinces. An additional 192,000 hp. are under construction for 1958 operation and a considerable amount is in the planning or early development stages for later service.

The British Columbia Power Commission completed the installation, at its Ladore Falls development on the Campbell River, of the second of two units each consisting of a 35,000-hp. turbine coupled to a 30,000-kva. generator. About two miles below the outlet of Upper Campbell Lake, the Commission is proceeding with its Upper Campbell Lake development where the initial installation of a 42,000-hp. turbine and 37,500-kva. generator is expected to be in service by 1 May 1958. Here, a huge earth-fill dam will store water in both the Upper Campbell and Buttle Lakes for use in all three plants in the Campbell River system. Forming a part of the overall development is the diversion of flows into the Campbell River from the Quinsam, the Salmon and the Heber Rivers. The Quinsam diversion has been completed while the other two are under way. Additional construction on Vancouver Island included the commencement of a development on the Ash River, a tributary of the Stamp River, near Port Alberni. Storage and diversion dams are to be constructed at the outlet of Elsie Lake, and, by a tunnel and pipeline conduit, the water will be conducted five miles from Elsie Lake to the powerhouse on the north shore of Great Central Lake. It is planned to install a 35,000-hp. turbine and 28,000-kva. generator for service by 1 March 1959. Development on the mainland included the installation of a third unit at the Whatshan development near Needles, comprising a 16,500-hp. reaction-type turbine and an 11,250-kw. generator, which was completed in January 1957. In addition to the above installations completed or presently under way, three developments are in active prospect: two in the Alberni area of Vancouver Island, located on the Stamp and Sproat Rivers, with potentials of 35,000 hp. and 17,000 hp. respectively, and the third on the Kokish River in the Englewood area in upper Vancouver Island, with a potential of 51,500 hp. Four additional possible developments are under active study and investigation by the Commission: one on Vancouver Island with a potential of 81,500 hp. on the Nimpkish River in the Englewood area; the remaining three on the mainland and consisting of a development of up to 1,900,000 hp. by diverting water from the Chilko to the Homathko Rivers, a second development at Helmcken Falls on the Murtle River, tributary to the Clearwater River, with a potential of 140,000 hp. and the third at Hobson Lake, also in the Clearwater River system, with a potential of 120,000 hp. Damsite foundation drilling has been carried out in connection with the Chilko-Homathko and the Nimpkish developments.

In the thermal-electric field, the Commission completed the installation, at its Georgia gas turbine plant at Chemainus, Vancouver Island, of the first two units each consisting of a simple cycle gas turbine of 26,500 hp. connected

to a 25,600-kva. generator. Currently being added to this plant are two regenerative cycle gas turbine units, each comprising a 24,000-hp. turbine and 25,600-kva. generator, whose installation will be completed by 1 July 1958 to bring the total installed capacity of the plant to 101,000 hp. At Dawson Creek, a tri-fuel internal combustion engine plant was completed with the present total capacity consisting of three 3,000-kw. units and two 1,000-kw. units. The former capacity of the plant was 3,800 kw. A tri-fuel internal combustion engine plant also was completed at Prince George with the present total capacity consisting of four 3,000-kw. units. The former capacity of this plant was 6,475 kw. At Tofino, the capacity of the diesel plant was increased to 1,675 kw. by the addition of a 600-kw. unit. The tri-fuel internal combustion engine plant at Quesnel is scheduled for completion on 15 April 1958 by the addition of a 3,000-kw. unit which will bring total plant capacity to 12,000 kw. At Terrace, a 1,000-kw. diesel unit to be completed by 1 April 1958 will bring the total capacity of the plant to 4,200 kw.; while at Fort St. James, the addition of a 600-kw. diesel unit by 1 March 1958 will increase the installed capacity of that plant to 1,250 kw.

The construction of major transmission lines by the Commission consisted of 138-kv. lines as follows: 3.8 miles double circuit from the Georgia generating station to the loop tap, 2.8 miles double circuit from the Crofton transformer station to the loop tap and 70.7 miles single circuit from Vernon to Kamloops. In addition, 50 miles of 60-kv. single circuit line were completed between Fort St. John and Dawson Creek and 73.5 miles between Quesnel and Williams Lake. Substations at Prevost, Crofton and Duncan Bay were completed, the Kamloops station was enlarged and the one at Vernon was rebuilt.

The British Columbia Electric Company Limited commenced operation of its Cheakamus development in October when the first of two units, each comprising a 95,000-hp. turbine and 80,000-kva. generator, was brought into service, and the second unit added about a month later. The project consists of a dam on the Cheakamus River near Garibaldi and a tunnel 18 feet in diameter, 6 3/4 miles in length, which diverts water to the powerhouse on the Swamish River. With a maximum height of 91 feet, the dam creates a reservoir having a capacity of 40,000 acre-feet. The development at Clowhom Falls on Sechelt Peninsula, purchased in 1956 from the British Columbia Power Commission, was rebuilt and the 4,000-hp. two-unit installation replaced by a single unit consisting of a 40,000-hp. turbine and 31,500-kva. generator. The concrete gravity dam was raised to a maximum height of 71 feet creating a reservoir with a capacity of 77,000 acre-feet. The plant was to go into operation in December 1957.

At the Company's Bridge River system, the power plant at the La Joie dam commenced operation in November when a 30,000-hp. turbine and 24,500-kva. generator were placed in service. The single unit, located on the downstream end of one of the two existing outlet tunnels, will utilize the water as it is released from the La Joie reservoir for further use at the downstream Bridge River and Seton Creek plants. Work was continued on the final phase of the Bridge River development involving a large storage dam on the Bridge River, a second tunnel through Mission Mountain and a new powerhouse, Bridge River No. 2, on Seton Lake about one-half mile upstream from the present plant. The storage dam, in the vicinity of the existing diversion dam, will provide an additional 750,000 acre-feet of storage bringing the total capacity of the two reservoirs to 1,335,000 acre-feet. The new dam will raise the head on the existing power plant on Seton Lake and is expected to increase the total capacity of the four units in this plant from 248,000 hp. to 276,000 hp. At the Bridge River No. 2 development, four units, each consisting of an 82,000-hp. turbine and 65,500-kva. generator, are expected to be installed during the latter half of 1959, which will provide a total installed plant capacity of 328,000 hp.

In addition to its hydro-electric installations, the British Columbia Electric Company Limited started construction of a gas turbine plant at Port Mann which will consist of four 32,500-hp. turbines, each driving a 30,000-kva. generator. The units will be capable of operating on either oil or natural gas fuel and are scheduled for operation during the summer and autumn of 1958. At Ioco, on Burrard Inlet, land acquisition, engineering and negotiations for government permits were initiated for a large steam plant which will have an ultimate capacity of six units, each rated at 210,000 hp. It is planned to put the first unit into operation in January 1961, the second unit in October 1961, and additional units subsequently as required.

In the construction of major transmission lines, 202 miles of 345-kv. transmission line were brought into service by the Company to provide a second circuit from Bridge River to Vancouver, as well as linking the Wahleach plant, at the higher voltage, to the Ingledow terminal station near Vancouver. An underwater cable was completed from Grief Point to provide energy for homes and industries on Texada Island. The Company continued work on its Ingledow substation which now contains 450 mva., 345/230 kv. transformer capacity and 33 mva., 230/60 kv. transformer capacity. The new major Mainwaring station in the Vancouver area was completed and the reconstructed Newell station in Burnaby was placed in service. Each contains two transformers of 75-mva. capacity, transforming from 230 kv. to 12 kv. for

general distribution. In addition, the Company carried out numerous extensions and alterations to existing substations and distribution services on the rest of the system.

The Aluminum Company of Canada Limited installed the fifth and sixth units, each of 150,000 hp., in its Kemano plant bringing the total capacity to 900,000 hp. The installed generator capacity is 750,000 kva. It is expected that a seventh unit, also of 150,000 hp., will be installed early in 1958.

The Alaska Pine and Cellulose Limited installed a 7,500-kw. double extraction condensing steam turbine, coupled to a 7,500-kva. 0.8 pf. generator, at its mill at Port Alice, British Columbia.

The Consolidated Mining and Smelting Company of Canada Limited commenced field investigation, involving geological mapping and preliminary drilling, at the second power site on the Pend d'Oreille River located about six miles upstream from its Waneta plant.

The West Kootenay Power and Light Company Limited was expected to complete and energize before the end of 1957 a 138-kv. transmission line between its plant at South Slokan and the Whatshan plant of the British Columbia Power Commission. It also has completed a 20-kv. line between the South Slokan plant and Slokan City which will provide power service in the Slokan Valley.

The City of Nelson completed the addition of 2,000 kva. and one feeder position to a 12-4 kv. unit substation, and the complete rebuilding to 4 kv. and addition of 3,000 kva. to a 7 feeder position 12-4 kv. substation. Consideration is being given to the building of a 7,500-kva., 69-12 kv. substation in 1958.

The East Kootenay Power Company Limited constructed two miles of 66-kv. transmission line and 21 miles of rural lines, the latter to serve seven customers in British Columbia and eight in Alberta.

The City of Revelstoke did not carry out any major changes during the year but is contemplating a 600-kw. diesel installation for the near future.

The Northwest Power Industries Limited continued field investigations for the power development on the Nass River.

The Wenner-Gren Foundation commenced preliminary investigations of the water power possibilities in the Rocky Mountain Trench area of the Peace River and will continue this work in 1958.

Alberta

Calgary Power Limited completed and placed in service on 4 October a second unit at its Cascades plant. The new unit, to be used mainly for peak load purposes, consists of a 23,000-hp. Francis-type turbine which operates under a head of 320 feet and is connected to a 20,000-kva. generator. The Company has begun construction of extensions to its Spray and Rundle plants in the Spray Lakes development which will approximately double the capacity of the existing development. A second 62,000-hp. unit is being added to the Spray plant and a 40,000 hp. unit to the Rundle plant, both of which are scheduled for completion in October 1959. Preliminary investigations are being continued by the Company for a possible development at its Big Bend site on the Brazeau River where a gauging station has been established. At the Big Horn site on the North Saskatchewan River below Terishshner Creek and at other nearby sites on that river, investigations for power development were suspended when exploratory drilling revealed disappointing foundation conditions. In thermal power development, the Company is adding to its Wabamun plant a second 66,000-kw. unit which is scheduled for operation in October 1958. Transmission line network was increased by 22.2 circuit miles of 132-kv. line, 90.2 circuit miles of 66-kv. line and 40.3 miles of 22-kv. line. A total of four 5,000-kva. substations were constructed, two at Calgary and one each at Edson and Niton, Alberta.

Northland Utilities Limited installed at its thermal-electric station at Jasper a 1,250-kw. gas engine generating unit which brought the total capacity of the plant to 2,720 kw. At the Fairview thermal plant, which is operated jointly with Canadian Utilities Limited, a new 3,000-kw. gas engine generating unit was brought into operation. A 500-kw. diesel generating unit was removed from the Fairview plant and installed in the Athabasca plant of Northland Utilities Limited. The Company constructed about 40 miles of 69-kv. transmission line between Valleyview and Triangle, Alberta, and will extend this line to Fairview via the Town of Peace River in 1958.

The City of Lethbridge is installing a new 7,500-kw. gas turbine generating unit in its steam plant for operation early in 1958. During the year it completed a 13-kv. line connecting its generating plant with the centre of the city.

The City of Edmonton constructed about four miles of underground transmission cable connecting its thermal-electric station to a bulk substation. The 72-kv. line consists of copper cable conductors insulated by impregnated paper and encased in a 5 9/16-inch diameter steel pipe line carrying oil at 220 psi. pressure. The city also constructed a 40,000-kva. bulk substation and two 10,000-kva. distribution substations.

The Alberta Power Commission reports that 39,812 farms in Alberta were receiving electric service on 30 September 1957, and estimates that a total of about 40,000 farms will have been connected by the end of the year. Of this total, Calgary Power Limited serves about 29,000, Canadian Utilities Limited about 9,340, Northland Utilities Limited about 1,400, the City of Edmonton 142, and the East Kootenay Power Company Limited 117 in the extreme southwestern part of the province. During 1957 about 3,200 of these farms received their initial electric service.

Saskatchewan

The Hudson Bay Mining and Smelting Company has commenced construction of an additional 19,000-hp. stand-by unit for the Churchill River Power Company plant at Island Falls. The cofferdam has been completed and the construction of the unit will be started in 1958 with a view to its operation early in 1959.

The Saskatchewan Power Corporation, whose transmission network covers a large part of the southern portion of the province, at present depends exclusively on thermal units for power production. During the year, capacity was increased by the addition of a 30,000-kw. unit to its Estevan plant, an 8,000-kw. unit to its Kindersley plant and a 3,000-kw. unit to its plant at Swift Current. Main transmission line extensions consisted of the following 72-kv. lines: 61 miles - Glaslyn to Meadow Lake, 30 miles - Kindersley to Eston, 46 miles - Regina to Fort Qu-Appelle, 14 miles - Saskatoon to Floral and 30 miles - Howarden to Davidson. A 30,000-kva. substation was constructed at Estevan, and others totalling 22,500 kva. were completed at Fort Qu-Appelle, Ogema, Eston, Davidson, Prince Albert, North Battleford and Unity. Rural electric service was extended to an additional 6,500 farms during the year, making a total of about 46,500 electrified farms in the province.

Manitoba

The Manitoba Hydro-Electric Board is proceeding with the construction of its development on the Nelson River at Grand Rapid, located about 400 miles north of Winnipeg, to supply power for the International Nickel Company mining development at Moak, Mystery and Thompson Lakes. The power plant, which is to be named the Kelsey Generating Station, will be located upstream from Grand Rapid on a peninsula forming the west shore of the river, and will discharge water into Split Lake. The initial installation is to comprise four 42,000-hp. propeller-type turbines operating under a normal head of 50 feet, each coupled by a vertical shaft to a 37,500-kva. generator operating at 90% power

factor Two of these units are scheduled for operation by 1 July 1960, and the remaining two by 1 January 1961. Additional features of construction include the excavation of a channel on the east side of the river to divert the entire flow of the Nelson River around Grand Rapid, the construction of a 1,400-foot rock-filled cofferdam and of a permanent dam which will provide a mean head of 55 feet. Other work related to the project includes a cantilever bridge, 248 feet long, across the river at Grand Rapid, and 14 miles of railway track between the contractor's site and the Canadian National Railway line at Mile 256.

At the Board's steam-electric plant at Brandon, the first two 33,000-kw. generator units were to commence operation in December 1957 and the remaining two in the autumn of 1958. At the Selkirk thermal station, the foundations are being laid for the main building which will house two 66,000-kw. generator units scheduled for initial operation in the latter part of 1959. The Board's program of present and proposed hydro-electric and thermal electric generation and transmission is designed to handle expected power demands up to and including the winter of 1961-62. Proposed extensions to transmission facilities by the Board include 59 miles of 138-kv. double circuit line between the Kelsey Generating Station and the Thompson Lake nickel mine, to be completed by 1 July 1960; 28 miles of 115-kv. double circuit line between the Selkirk Generating Station and the St. Vital Road Terminal Station, scheduled for operation by the autumn of 1959; 9 miles of 115-kv. double circuit line connecting the St. Vital Road and Harrow Street Terminal Stations, of which one circuit is to commence operation in the autumn of 1959; and 12 miles of 115-kv. double circuit line connecting the Parkdale and McPhillips Terminal Stations in Winnipeg, of which one circuit will commence operation in the autumn of 1958.

Sherritt-Gordon Mines Limited will have completed by the end of 1957 its Laurie River No. 2 development comprising one 7,000-hp. Francis turbine operating under a head of 55 feet and connected to a 6,000-kva. generator. This plant is connected to the downstream No. 1 plant by 5 miles of 69-kv. transmission line and is to be automatically controlled from that plant. Concrete sluice-gate sections of the storage dams at the outlets of Eager and Russell Lakes were completed in July.

The City of Winnipeg is continuing with the renovation of its Pointe du Bois hydro-electric station and made repairs to the spillway and sluice gates at the Slave Falls station, both on the Winnipeg River. Two new substations in the Winnipeg area with capacities of 15,000 and 13,334 kva., both reducing from 60kv. to 4.16 kv., are being constructed for operation by 31 January 1958.

The Department of National Defence at Churchill maintains a diesel plant with an installed capacity of 2,100 kw. consisting of four 300-kw. and three 200-kw. units. Construction is presently under way for a 1,136-kw. addition to this plant. Also at Churchill, the National Harbours Board has two 1,500-kw. and one 600-kw. steam turbine generator units, also a 500-kw. diesel-electric stand-by unit.

The Manitoba Power Commission, which distributes electrical power throughout the province except for the City of Winnipeg, completed during the year, or has under construction, about 150 circuit miles of transmission and tie lines with capacity 22 kv. or greater, of which 22 miles were changed over from 33kv. to 66kv. During the year, service was extended to approximately 450 farms and 6,200 residential and commercial customers throughout suburban Winnipeg and rural Manitoba. Substation and terminal station capacities were increased by 47,363 kva. and 33,750 kva. respectively.

Ontario

Demands for power throughout past years have resulted in an intensive construction program by The Hydro-Electric Power Commission of Ontario as a result of which a substantial growth in power requirements has been met successfully. Major construction work during 1957 included developments at the St. Lawrence Power Project, at Sir Adam Beck-Niagara Generating Station No. 2, and at six projects in northwestern Ontario.

Field investigations of new hydraulic sites were carried out in northern areas of the province during the year. The Commission also completed construction of a canal and control works for the diversion of water from Lake St. Joseph in the Albany River drainage to Lac Seul in the English River drainage via the Root River.

The St. Lawrence Power Project, a joint development of the International Rapids Section of the St. Lawrence River, was begun in August 1954 by The Hydro-Electric Power Commission of Ontario on the Canadian side of the river and by the Power Authority of the State of New York on the United States side. The main features of the project include two adjoining powerhouses which form an integral part of a gravity-type dam structure, a dam at Long Sault to control the level of the headpond, a dam at Iroquois Point to regulate flow from Lake Ontario, and some 14 miles of dyke. Other work related to the project included a heavy program of channel improvement and excavation, the relocation of highways, railways, transmission facilities, and the design and construction of new townsites.

Excellent progress was made on all phases of construction throughout 1957. On the Canadian side concrete for the main dam and powerhouse structure was placed, even during the coldest winter months, and at the end of the year more than 86 per cent of all concrete work was completed. Mechanical equipment for the sixteen generating units was partly installed and, by fall, crews had begun the assembly of the generator for the first unit. Five of the sixteen units are scheduled for service in 1958; the rest will be placed in service during the period 1959-1960. Total installed capacity of the turbines will be 1,100,000 hp. A temporary navigation canal by-passing the main construction area on the Canadian side was completed and opened to shipping in April. The canal provides passage for ships through the Cornwall section of the headpond dyke, where a concrete closure structure has been established for the purpose of closing this channel when the headpond is raised. The Cornwall dyke was substantially completed in October when the last of some 5 million cubic yards of earth fill required there was placed and compacted. Only protective riprap remains to be placed. The headpond itself will be established in the summer of 1958 following the closure of the Long Sault Dam. Heavy dredges deepened and enlarged channels in the vicinity of Chimney and Galop Islands and at Iroquois Point. Additional excavation was begun during the year in three other areas, near Point Three Points, Morrisburg, and Cardinal. Those communities or sections of communities in areas to be flooded along the north shore of the river were moved to new locations. Three new town-sites were created to accommodate people from these areas. A section of double-track railway, approximately 40 miles in length, and 35 miles of main highway also affected by flooding were relocated on higher ground.

At the Sir Adam Beck-Niagara Generating Station No. 2 on the Niagara River, the Commission amended its program in 1953 to provide for an associated pumping-generating station and four additional units at the main station. Construction for the pumping-generating station was begun the following year, and the installation of the four main generating units was begun in 1955. By the end of 1957 work on both these projects was well advanced. At the main generating station two of the additional units were placed in service in December. Work on the final two will be largely completed in the spring and the units will be placed in service in May and July of 1958 respectively. Each of the four units, like the twelve already in operation, has a rated capacity of 105,000 hp. At the pumping-generating station three units of the six units planned were placed in service in the latter part of 1957. During periods of low demand the units will pump water diverted from the main power canal into a reservoir having a capacity of some 16,000 acre-feet. In periods of high demand they will operate in reverse as turbines, each unit having a capacity of 47,000 hp. at maximum discharge of 5,600 cubic feet per second. Flow from the reservoir in turn will augment the flow in the

power canal and thus increase the output of the units in the main generating station. Work on the installation and assembly of the generators for the three remaining units progressed favourably. They are expected to be in service in the spring of 1958.

Marking the fulfillment of the Niagara River remedial works program, the construction of a control dam in the Niagara River about a mile upstream from the falls was completed in the early part of the year and the last four gates were placed in operation. The completed dam with its 14 concrete piers incorporates 13 sluiceways, each 100 feet in width and equipped with bascule-type submersible gates. A service deck 1,500 feet in length spans the structure. Other portions of the remedial works program involved the excavation of certain areas of the river-bed and the placing of fill on the United States side of the river, which was carried out by the United States Army Corps of Engineers in 1954, and similar work on the Canadian side, which was carried out by the Commission in 1955.

The development of Whitedog Falls on the Winnipeg River was undertaken by the Commission in 1955 and considerable preparatory work was carried out at the time and during the following year. The total turbine capacity will be 81,000 hp. and initial service is scheduled for February 1958. At the end of 1957, construction of the main dam for the three-unit generating station was substantially completed. The dam incorporates a powerhouse, adjoining headworks, and a sluiceway structure with nine sluice-gates, two of them motor-operated. It extends some 1,150 feet across the south channel of the river at Whitedog Island. By the end of the year the dam, including the south bulkhead, gate sluices, log-chute head-block, and a compacted earth-fill wing dam on the north shore, had been completed. Mechanical equipment for the two motor-operated sluice-gates was installed also. Concrete placing in the powerhouse structure was completed and work crews began the assembly and erection of turbines and generators.

The construction of the Caribou Falls Generating Station was commenced by the Commission in 1956. It is located in the northwestern section of province, on the English River about 17 miles northwest from Whitedog Falls, and its three units which will total 102,000 hp. are scheduled for service by October 1958. Early in 1957 the powerhouse site was dewatered and excavation was begun for a main dam structure which will extend 1,260 feet across the river. By the end of the year much of the new station had taken shape. East and west bulkheads and the erection bay were built and concrete was placed for piers and sluices in the headworks area. In the powerhouse area the structural work for the first unit was almost complete and the installation of the turbine and generator was

started. Structural work for the second and third units was also well advanced and at the second unit the installation of embedded parts for the turbine was partially complete. In addition to this work, four auxiliary block dams were built which will assist in containing the headpond where contours are below the desired maximum water-level. Clearing of trees and brush from the headpond was finished early in the fall. Only salvaged pulpwood remains in the area, cut and piled ready for moving. At the Manitou Falls Generating Station, provision for the installation of a fifth unit was made in the headworks in the event of increases in loads in the northwestern section of the province. By late spring in 1956 it was apparent that the output of an additional 18,500-hp. unit would be required. Therefore in the spring of 1957 the Commission began work on this installation and such excellent progress was made during the year that the expected in-service date was advanced to March 1958.

In its Cameron Falls and Alexander Generating Stations on the Nipigon River the Commission began work on the installation of two additional units in 1956. At the Cameron Falls station a 25,000-hp. unit will be housed in a separate structure east of the present six-unit powerhouse. During 1957 the site was dewatered and work on the structure was carried out. By the end of the year this work was near completion and the turbine for the unit was partially assembled. At the Alexander Falls station a 19,000-hp. unit will be housed in an extension to the present main structure. Although construction was hampered by deep water as well as by cold weather, the turbine was installed and the generator was partially assembled by the end of the year. Both additional units are expected to be in service by mid-1958.

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In February 1957 the Commission undertook the development of a single-unit station at Silver Falls on the Kaministiquia River in northwestern Ontario.. The new station is scheduled for service in September 1959. It will consist of an intake structure and tunnel which will convey water some 9,000 feet to a powerhouse housing a 60,000-hp. unit. The tunnel, about 14 feet in diameter and lined with concrete, will be provided with a surge tank. Preparatory work at the site began early in the year. By December an access road had been built and about 1,500 feet of tunnel had been driven.

The Commission, although actively engaged at this time on the development of eight widely separated hydro-electric projects, is nevertheless aware of the pressing need for alternative sources of power. The St. Lawrence Power Project is the last major hydro-electric development within economic transmission distance of large load centres in the southern Ontario system. Even in northwestern Ontario there are now distinct advantages to be derived from the development of thermal-electric resources. In the fall of 1957 the Commission undertook to build three new thermal-electric generating stations, one at Fort William and two in the Toronto-Hamilton area. Meanwhile work was well under way for the enlargement of the present Richard L. Hearn Generating Station in Toronto to 1,200,000 kw., or three times its present size. Studies are being continued in conjunction with Atomic Energy of Canada Limited and other interested agencies with regard to the development of a large-scale reactor for the production of energy for nuclear resources.

During 1957, the Commission increased its mileage of in-service transmission and rural distribution lines as follows: 47 circuit miles of 230-kv. line, 259 circuit miles of 115-kv. line, 166 circuit miles of 13- to 14-kv. line and 861 circuit miles of rural distribution line. It is estimated that at the end of 1957 the total number of rural customers served by the Commission was 454,000, including about 140,900 farm customers.

Apart from the activities of the Commission, the Great Lakes Power Company, Limited, placed in operation on 8 April at its Upper Falls plant on the Montreal River a new unit comprising a 30,000-hp. turbine driving a 25,000-kva. generator. Total plant capacity is now 55,300 hp. The dam at this site had been raised previously by 33 feet to a height of 86 feet above the river bed, providing an average operating head of 232 feet. The Company also is proceeding with two other hydro-electric developments; one on the Montreal River at Centre Falls where one unit of 30,300 hp. under a head of 115 feet, driving a 22,222-kva. generator, will come into operation about 1 April 1958, and the other on the Michipicoten River at Cat Falls having similar turbine

and generator ratings, but with an average operating head of 100 feet, and scheduled for operation in May 1959.

Quebec

The Province of Quebec continued its extensive hydro-electric power activities with a net capacity increase during 1957 of 473,900 hp. after allowing for the dismantling of 10,100 hp. of capacity. In addition, new capacity currently under construction will add about 900,000 hp. during 1958 and more than 2,700,000 hp. in later years.

The Quebec Hydro-Electric Commission completed the installation of the fourth and fifth units in its Bersimis I development some 300 miles northeast of Montreal, raising the installed capacity of the plant to 750,000 hp. Each unit is rated at 150,000 hp. and operates under a head of 875 feet; power is delivered to the new Bout-de-l'Île substation on the Island of Montreal. The ultimate capacity of the underground powerhouse will be 1,200,000 hp. in eight units. At Bersimis II, about 23 miles downstream, good progress was achieved in the preliminary stages of construction. The project involves the excavation of an intake tunnel 4,000 feet long and a diversion tunnel about 1,100 feet in length, the erection of two dams--one of concrete and the other of rock fill--and the construction of 60 miles of road. The powerhouse will have a total installation of 855,000 hp. in five units, each turbine being rated at 171,000 hp. under a head of 375 feet.

At the Beauharnois development on the St. Lawrence River, some 30 miles from Montreal, the Commission proceeded with the construction of the third and final section of the powerhouse which will contain 11 units each of 73,700 hp. under a head of 80 feet. Dredging operations were continued towards the enlargement of the intake canal. Initial operation of this section is expected late in 1958 and the completion of the entire plant, with a total installed capacity of 2,235,000 hp., in 1960.

Among other activities of the Commission, the construction of a storage dam at the outlet of Lake Ste. Anne on the Toulouste River, a tributary of the Manicouagan River, is nearing completion. This dam will allow a higher firm output from the plant of the Manicouagan Power Company which is installing additional capacity to meet the initial power requirements of the Canadian British Aluminum Company plant near Baie Comeau. Studies and surveys are being carried out for developments in the Lachine Rapids section of the St. Lawrence River and in the Manicouagan region on the north shore of the St. Lawrence River. In the field of transmission, progress was made on the construction of three additional 300-Kv. lines--Labrieville to Quebec City, Labrieville to Hauteville (near Baie Comeau) and a tie line between the plants Bersimis I and Bersimis II.

Price Brothers Company Limited placed in service on 21 September its new Murdock-Willson power development located at the mouth of the Shipshaw River just below Willson Falls. The plant contains one 82,000-hp. turbine under a head of 265 feet, connected to a 70,000-kva. generator, and is remotely controlled from the Company substation in the Kenogami Paper Mill three miles away. The Company's existing 10,100-hp. Murdock plant, which was taken out of service on 20 October, will be abandoned. A new 3-mile 69-kv. transmission line has been constructed between the Murdock-Willson powerhouse and the Kenogami Paper Mill.

The Manicouagan Power Company is meeting its construction schedule on its McCormick Dam Project No. 2, which is an extension of the Company's Manicouagan River plant at First Falls near Baie Comeau. The first of three additional units (Nos. 3, 4 and 5), each comprising a 60,000-hp. turbine under a head of 124 feet and driving a 40,000-kva. generator, was placed in operation on 6 December. Units Nos. 4 and 5 are expected to be installed early in 1958. The Company's 161-kv. transmission line from the McCormick Dam substation to the Canadian British Aluminum Company smelter plant at Baie Comeau was placed in service on 5 November. To provide additional power for the smelter plant, the Company is arranging to build another 161-kv. line, $3\frac{1}{4}$ miles long, from its 161-kv. substation at Manicouagan to the Quebec Hydro-Électrique Commission's substation at Hauterive.

The Eastern Smelting and Refining Company Limited completed construction and placed in operation on 17 May its hydro-electric plant on the Chicoutimi River at Chicoutimi. The plant contains a 42,000-hp. turbine under a head of 273 feet with a 40,000-kva. generator, and power is supplied to the Company's nearby smelter by a one-mile 161-kv. line.

The Aluminum Company of Canada Limited proceeded with construction of its development on the Peribonka River at Chutes des Passes which will contain five units at 200,000 hp. each, to be operated under a head of 625 feet. The first unit is expected to commence service in the autumn of 1959. Two transmission line circuits eventually will tie the Chutes des Passes station with the Company's present network at Isle Maligne. Work is progressing, and is expected to be essentially completed in 1958, on a project to divert water from Manouan Lake into the Bonard River which empties into the Peribonka River above Passe Dangereuse.

The Shawinigan Water and Power Company made good progress on the construction of its 330,000-hp. development on the St. Maurice River at Rapide Beaumont, 10 miles upstream from La Tuque. The plant will comprise six 55,000-hp. turbines operating under a head of 125 feet

and driving 45,000-kva. generators, initial operation being scheduled for November 1958, and completion of the six units in the summer of 1959. Extension to the Company's transmission system consisted of 16 miles of 66-kv. line between St. Adrien and Weedon. At present, a total of 42,325 farms receive electrical power from the Company.

The James MacLaren Company Limited, which is affiliated with the MacLaren-Quebec Power Company, is building for completion in 1959, a hydro-electric station of 50,000 hp. on the Lievre River at Duferin Falls in Buckingham.

The Gatineau Power Company presently is converting all of its 25-cycle equipment to 60 cycles. Construction was started on a new 240-kv. line from Lachute to St. Jerome to be operated initially at 115 kv. A new 69-kv. line, to be operated initially at 26.4 kv., was completed from St. Jovite to Arundel. Rural distribution circuits were extended for 91.3 miles and 8,802 farms now receive electrical power from the Company.

The lower St. Lawrence Power Company completed three 5,000-kva. distribution substations at Mont Joli, Rimouski and Matane. Twelve miles of distribution line were added during the year and a 45-mile 161-kv. transmission line between Les Boules and Causapscau will be placed in service by the end of December 1957 to be operated initially at 69 kv. A total of 8,476 farms are now served by the Company.

The Southern Canada Power Company placed in service 17.8 miles of 110-kv. transmission line between Magog and Bromptonville to tie in with the Shawinigan system together with another 16 miles of 48-kv. line. Rural and distribution mileage has increased by 17.0 and 20.0 miles respectively. The total number of customers has increased to 83,051, of which 12,693 are farms. The Company has discontinued the use of its 800-hp. hydro-electric plant on the Yamaska River at Farnham.

Other power-producing agencies carried out extensions to their transmission and distribution systems. The Quebec Power Company completed a 24-mile single-circuit 66-kv. transmission line between Quebec City and Beaufort. About 9,340 farms were receiving electrical service from the Company at the end of the year. The Shawinigan Engineering Company is preparing plans and specifications for the City of Sherbrooke for constructing a 100-kv. substation to consist of two regulation transformers, 30,000 and 40,000 kva. respectively, 110/40 kv., to receive power from the Shawinigan Water and Power Company transmission system. The Northern Quebec Power Company Limited was serving 237 farms at the end of the year.

The Quebec Department of Hydraulic Resources, through its extensive system of storage reservoirs, successfully maintained regulation of flow for power production and flood control on a number of important rivers. Surveys were continued to determine the storage possibilities in the watershed of the Bell-Nottaway River, tributary to James Bay, and in the watershed of Payne River, a tributary of the Ungava Bay. Extensive repairs to the Gouin Dam on the upper St. Maurice River, to Mercier Dam on the Gatineau River and to the Allard Dam on the St. Francois River at the outlet of Lake St. Francois, will be completed in the near future.

New Brunswick

The New Brunswick Electric Power Commission placed on test, on 4 November, the first unit of its Beechwood development on the Saint John River, with the second unit scheduled for completion by 31 January 1958. Provision has been made for the installation of a third similar unit. Each unit consists of a 45,000-hp. turbine under a head of 60 feet, driving a 40,000-kva. generator. Currently under construction at Saint John is a new 50,000-kw. steam plant which is expected to be completed in July 1959. During the year, the Commission extended its transmission facilities by 68.4 miles of 138-kv. line from the Beechwood plant to Fredericton and 30.4 miles of similar line from Fredericton to Grand Lake, Queen's County, in addition to which, 59 miles of 69-kv. transmission line and 121.1 miles of rural distribution line were completed. About 190 miles of additional 138-kv. transmission line are presently under construction. The Moncton Terminal and Grand Lake Terminal substations, each rated at 50,000 kva., were completed on 31 October while another substation of 10,000-kva. capacity is currently under construction at Moncton. Electrical service was extended to 1,000 farms, making a total of about 26,000 farms presently supplied by the commission.

Nova Scotia

The Nova Scotia Power Commission completed in August its Bear River plant at Bear River, Annapolis County, with one 5,300-hp. turbine under a net head of 142 feet, operating a 4,000-kw. generator. A 25,000-hp. development on the Sissiboo River near Weymouth, Digby County, is in active prospect and investigations are proceeding with respect to the Commission's proposed Wreck Cove development on Cape Breton Island. Under construction for completion in July 1959 is a 20,000-kw. addition to the Trenton steam plant. During the year, extensions to the transmission system included 61.0 miles of 69-kv. line and 17.0 miles of 23-kv. line; 18.0 miles each of 69-kv. and 23-kv. line are under construction. There were 30.6 miles of rural

distribution lines completed and electric service was extended to 448 farms raising the total of farms connected to about 18,840. The Commission completed substations at Trenton, Onslow in Colchester County and Whycomagh, Inverness County, the capacities being 15,000, 3,750 and 3,000 kva. respectively. Two additional substations, each of 5,000-kva. capacity, are under construction at Blockhouse and Bridgewater in Lunenburg County.

The Nova Scotia Light and Power Company Limited has under construction at its Hemlock Falls plant on the Avon River at Windsor Forks a 5,000-hp. unit which, late in 1958, will replace the existing two units of 1,150 hp. each. On 7 February the Company dismantled its 360-hp. plant on the East River at Chester. In active prospect is a 6,500-hp. development on the Mictaux River at Alpena although no construction dates have been set for the project. In the thermal-electric field, the Company completed on 4 October the addition of a 45,000-kw. unit to its Water Street plant in Halifax, and is currently constructing another similar unit for operation in August 1959. Nineteen miles of 23-kv. transmission line were completed during the year while 23 miles of 69-kv. line and 5 miles of 23-kv. line are under construction for operation early in 1958.

The Seaboard Power Corporation Limited is currently constructing, for operation in September 1959, an additional 16,000-kw. unit to its steam plant in Sydney.

Newfoundland

The Maritime Mining Corporation Limited completed in February on Venams Brook at Green Bay, Newfoundland, a 460-hp. unit operating under a head of 229 feet. In August a 760-hp. unit, under a head of 241 feet, was installed on Snooks Arm at Green Bay, Newfoundland.

The Bowater Power Company Limited is continuing the construction of its hydro-electric development on the Corner Brook River at Cornor Brook where two 6,000-hp. turbines, under a head of 526 feet and connected to two 5,100-kva. generators, are expected to commence operation early in 1958. In the Grand Lake Watershed, Newfoundland, two developments are in active prospect; one on Hinds Brook to comprise 50,000 hp. in two units under a head of 679 feet, and the other on Little Grand Lake to consist of one 14,000-hp. unit under a head of 205 feet.

The Newfoundland Light and Power Company Limited is constructing, for operation late in 1958, a new-hydro-electric plant on Rattling Brook near Norris Arm to comprise 17,000 hp. in two units operating under a head of 307 feet. Also under construction, for later 1958 operation, is an additional 20,000-kw. unit at the Company's St. John's steam plant.

The Union Electric Light and Power Company Limited is expanding its Trinity River hydro-electric plant near Trinity by the addition of one unit, under a head of 260 feet, to consist of a 2,000-hp. turbine connected to a 1,875-kva. generator. Completion is expected in 1958. The Company is currently constructing 33 miles of 48-kv. transmission line between Lockston and Clarendville, Trinity Bay.

The United Towns Electric Company Limited is adding a third unit of 3,600-hp. capacity to its hydro-electric plant at Lookout Brook. The unit will operate at a head of 550 feet and, when completed in 1958, will increase total installed capacity of the plant to 7,300 hp.

The British Newfoundland Corporation Limited is actively considering a hydro-electric development at Bay d'Espoir in the central part of Newfoundland where 350,000 hp. may be developed under a head of about 530 feet. In connection with its proposed Hamilton River power site in Labrador, the Corporation completed the all-weather access road from Mile 286 on the Quebec-North Shore and Labrador Railway to the Hamilton River and surveyed the small remaining section leading to the selected powerhouse site.

Yukon and Northwest Territories

To encourage the development of the resources of Northern Canada, the Federal Government established in 1948 the Northern Canada Power Commission, an agency for the construction and management of electric power utilities. The Deputy Minister of Northern Affairs and National Resources is Chairman of this Commission and the Director of the Water Resources Branch is a member.

Hydro-electric construction activities of the Commission during 1957 were confined to the Yukon Territory. These included the installation of a second 3,000-hp. unit at its Mayo River hydro-electric plant, which was put into operation in December; also steady progress on development of the Whitehorse Rapids project on the Yukon River about $1\frac{1}{2}$ miles upstream from Whitehorse, where the initial installation is scheduled for completion in the autumn of 1958 and will consist of two 7,500-hp. Kaplan units under a head of 63 feet. Provision is being made for the installation of a third unit.



STATEMENTS AND SPEECHES

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NEW YEAR'S MESSAGE

A review of international developments in 1957 by Mr. Sidney E. Smith, Secretary of State for External Affairs, as broadcast on the International Service of the CBC.

The year 1957, now coming to a close, has seen significant changes both in Canada and abroad.

Outside Canada, the deep conflict between the Communist world and the Western nations continued this year to cloud international relations. But something new has occurred in this context. To the threatening but now familiar rumblings of nuclear thunder, Soviet science has recently added some ominous bolts of lightning. This spectacular evidence of Russian progress in the field of guided missiles and rocket propulsion does not represent, however, an overwhelming, or lasting or even a matching military advantage. But it has brought closer to all of us, by a giant stride, the grim problem of human survival in the nuclear age.

As I review briefly the highlights of our external relations and activities during 1957, it is with the awareness that there has been a change in the international weather, of incalculable consequence.

During the past year, Canada has continued to play an important role in the Commonwealth as in the affairs of the United Nations, the North Atlantic Treaty Organization and the other various organizations to which Canada adheres.

United Nations

The United Nations represents today a great hope for peace, and its most useful mission lies perhaps in the field of discussion and reconciliation of ideas and interests: in providing a forum where 82 nations can sit down together and discuss face to face their differences and their agreements. As a microcosm of an imperfect world, the United Nations reflects the ambitions and the conflicts that often divide its members; but its successes also have been noteworthy.

The major topic discussed at the United Nations this year was the question of disarmament. To a world living in the shadow of nuclear weapons, this is a grim and vital issue.

But it is not a new problem. Canadian representatives with those of other nations have been trying to find an acceptable solution to it for eleven years. During the past year we assisted in the preparation of proposals for a first stage of disarmament - proposals which would contribute not only to our own security and that of our allies but also to the security of the Soviet Union and its associates. The General Assembly endorsed the basic principles of those proposals but the Soviet Union rejected them, even as a basis for discussion, and called them valueless. The Soviet Union has even refused to continue negotiations in the Disarmament Commission of the United Nations, although the Assembly reconstructed the Commission to meet the Soviet point of view. So the Soviet Union, once again, bears the responsibility for having frustrated the painstaking efforts of almost every other country to come to grips with a problem affecting our very lives.

Although the Assembly's hopes for progress in disarmament thus went by the board, something has been done, on the other hand, in easing the tensions that had been building up in the Middle East.

There was evident at the recent session of the Assembly a notable, if tentative, spirit of compromise on Middle Eastern questions which, if encouraged, might lead us at long last towards more peaceful relations. Included among the factors that have helped to ease tension and preserve peace in that area is the presence of the United Nations Emergency Force under the command of a Canadian, Lieutenant General E.L.M. Burns.

Canadian troops make up one-fifth of that Force of 6,000 and we are proud of the work all have done in arresting a movement that might have resulted in war. The value of such a force in such a situation has been fully demonstrated. Its example may well lead us to provide for a United Nations emergency force which could be swiftly recruited and deployed when similar needs arise on other fronts.

Colombo Plan

Turning now to our programmes of assistance to less developed countries, there is no single task Canada has undertaken in the international field which deserves more support than, and promises such beneficial results as, the Colombo Plan. This form of co-operation, which is designed to assist our friends in South and South-East Asia, to raise their standards of living is an investment in friendship, peace and security. Canada's budget of Colombo Plan aid amounts to

\$35 million a year, the bulk of which is being allocated to basic economic development projects which the countries concerned in South and South-East Asia are undertaking to provide themselves with a broader and more secure economic foundation. Canadians are proud to be associated with this great international co-operative effort.

In South-East Asia, I mention also the International Supervisory Commissions in Indochina, of which Canada has been a member since their establishment three years ago. The work of these commissions has been important to the development of democratic institutions. It has been an arduous task, but its reward for us has been a deeper understanding of the problems of the people of Asia and admiration for their courage and endurance in adversity.

Commonwealth

In Commonwealth affairs, I had the great pleasure during my first visit to the General Assembly of the United Nations this year to endorse the admission of Malaya and to welcome that country as the United Nations' latest member. The Canadian Government has now appointed a High Commissioner to Malaya, who will take up his post very shortly. We have had the pleasure also, of sending a High Commissioner to Ghana establishing diplomatic relations with the government of another new sister nation in the Commonwealth. To me, one of the most brilliant pages of British history is this bringing of colonies to nationhood, this growing association of countries with various climes, of various religions and cultures, held together not as a bloc but as a group, bound by no treaty but rather by their adherence to common ideals of the dignity of the individual, of justice and fairness.

Latin America

Of similar benefit to Canada are the excellent relations which we enjoy with our neighbours in this hemisphere. The development of a century-old trade, the increased exchanges of personnel, be they visitors or businessmen, between Canada and the Latin American republics, the growing number of students and tourists coming to Canada from these nations, all these factors point to a growing and mutually profitable expansion in our relations with them. I know that the cordiality that marks our exchanges with the Latin American nations will be enhanced and increased.

United States

Our relations with the United States have long been influenced by a kindly providence that willed the geographical location of our two countries. With the United States we share a continent and a common heritage from many lands beyond the seas.

As comrades in arms during two world wars and more recently in Korea, as close associates at the United Nations and in NATO, we Canadians know the value of our American friends. Other ties that form the warp and woof of our daily lives - education, trade, investments, personal relations, the press and other means of communication - also bring us together.

This is not to say, however, that Canadian policies and attitudes can be merely a reflection of United States policies and attitudes.

Canada is an independent nation with views and problems of its own, apart from those which it shares in varying degree with its great neighbour.

From our earliest years, there have been problems between us and these have continued down to the present day. Characteristic of our relations also has been a true frankness, the kind of frankness that is possible only between friends. This we cherish, just as we hold to the idea that friendship really means the existence of a positive and effective interest on the part of each nation in the welfare of the other. The United States and Canada, unequal in military and economic force, but equal in their common respect for the dignity of the individual, set a continuing example to the world of how friendly nations can live together.

NATO

Nowhere better than in NATO has the essential solidarity of Canada with the United States and the Western nations been exemplified.

The sole military purpose of NATO is to deter aggression by providing firm evidence that an attack against any member of the Alliance would be quickly and successfully met. The Canadian Government's conviction is that the value remains intact.

We believe that it is incumbent upon us in the organization to exploit without delay the opportunities that exist for closer co-operation among us in the fields of political consultation and of military, economic and scientific affairs.

Underlying the conflict which divides the communist countries from the Western nations today, and that vitiates in some measure the political stability and economic development of the rest of the world, is a problem of faith - faith built on understanding among nations. Every effort must be made to re-establish that faith.

As we enter the new year, the prospect with its overtones of growing danger imposes heavy obligations upon us. These obligations were acknowledged, and plans made to fulfill them, at the meeting of Leaders of Governments of NATO countries, which took place recently in Paris. As a result of that Meeting, the year 1958 will see an intensified effort on the part of NATO to raise the strength and efficiency of the organization to the level required by new Soviet challenges in the military and economic fields. Prudence requires that we seek this defence insurance first, and that it be adequate to our needs. But the key to peace and progress lies as much in reducing armaments and raising standards of living as in countering threats to our security. We, therefore, in the United Nations, in NATO, and in other forums, continue our efforts to improve economic standards in the less developed areas, and we will endeavour to find an acceptable solution to the question of disarmament and to probe, with appropriate safeguards, for opportunities to move toward a settlement of the differences which divide us from the Soviet bloc. We particularly hope that the Union will reconsider its decision to withdraw from further talks on disarmament within the Commission established by the UN and that, in this and other ways, it may at last give us genuine proof of its desire for peace.

In brief, although we have to keep our powder dry, our hand is out in friendship to all.

May 1958 fulfill our prayers for an abiding peace. That is my New Year's wish for Canada and for the world.

S/C

GOVERNMENT



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/4

CANADA IN THE WORLD

Address by the Secretary of State for External Affairs, Mr. Sidney E. Smith, to the Hamilton Chamber of Commerce, Hamilton, Ontario, February 4, 1958.

I intend to look back tonight on the five crowded months since I entered the Government as Secretary of State for External Affairs. I hope that you may find it of some interest if I give to you a few impressions of my portfolio and a few thoughts on some of its problems.

I am well aware that there is no field of human endeavour which has such an attraction for grandstand quarterbacks as this field of foreign affairs. I know, because I was one myself not long ago, and I am sure that many, if not all, of you are. Far from complaining about this, I hope that you are! Your views help to fashion our foreign policy. We need your interest; we need your views.

Indeed, since I moved from Toronto to Ottawa, I have been deeply impressed by the intensity of this public interest. I had of course been aware that international affairs have become increasingly a subject of popular attention and concern. And I had also of course been conscious of Parliament's growing pre-occupation with our external relations. But I was not prepared for -- indeed I was surprised and sobered by -- the size of a Foreign Minister's mailbag, by the variety of its contents, and above all, by the depth of concern for the state of the world which is revealed so clearly, often poignantly, in this correspondence.

That then is my first impression -- of the continuing surge of public interest in our external affairs. I reiterate my hope that this interest will never abate, for it promotes the survival, indeed the flowering, of what I conceive to be a fundamental element in the formulation and conduct of policy -- that the Government should know what is in the public mind, and that the public mind should understand what the Government is seeking to do.

This interchange, this two-way traffic, is vitally important in foreign affairs. There is no field in which a greater need exists for Government policy and public opinion to be in harmony. There is a demand for a united front on foreign policy.

The second impression that I have, as I reflect on these past few months, is of the variety and multiplicity of problems with which a modern foreign office must deal. In a few minutes, I propose to discuss some of the more important and the more serious of these problems. But before doing so, I desire to make one point about the way in which our international business is conducted, and the many forms which it takes.

The nerve centre of the Canadian diplomatic service is the Department of External Affairs in Ottawa. It controls the activity of a network of offices all over the world which represent and protect Canadian interest abroad, provide the Canadian Government with what is perhaps best described as political intelligence on conditions and trends in other countries, and conduct negotiations with other governments on specific problems. We now have sixty-three of these establishments, including Embassies, Legations, Consular offices, and permanent missions accredited to the United Nations and to NATO.

The men and women who are on the staff of these offices abroad are accustomed to variety. They may be sitting with Indian and Polish colleagues on an International Commission responsible for supervising the peace in Indochina. They may be negotiating an agreement with the Government of India or Pakistan or Ceylon or Burma, under the aid programme known as the Colombo Plan. They may be supplying the Government with news and interpretation of events in the Middle East, or attempting an assessment of Mr. Khrushchev's latest cocktail comment. They may be speaking as Canada's representatives in the Council of the North Atlantic Treaty Organization, or in any of the scores of committees and agencies of the United Nations. Or they may be engaged in seeking new markets for Canadian goods in Africa or Asia or Latin America. And closer to home they may be serving as Canada's salesmen or advocates in what is one of our most challenging diplomatic tasks -- the field of our relations with the United States. I may say that there is in the United States today a growing current of awareness of Canada and its problems, and an increasing recognition of the direct impact on Canada of many American policies and actions. We are heartened by these signs -- there are many of them, but I have in mind particularly the recently announced intention of the United States Senate to conduct an enquiry into Canadian-United States relations.

I have made passing mention of only a few of the tasks which we require our foreign service to do. I make no apology for calling them to your attention, because these officials, and the tasks which they perform, are of vital importance to the welfare of our country. But, particularly, I wish to emphasize that we have,

in our own foreign service and in those of other countries, an instrument which is always available to governments when they have problems to iron out in their relationships. I often think that we would be better off if we relied more on private soundings and discreet probing, in preference to conducting our diplomatic business by press conference or by exchanges of letters in a blaze of publicity.

Against the background of these general observations, I now intend to refer to certain grave problems of the moment in foreign affairs. Six weeks ago I had the privilege of attending the meeting of NATO heads of government in Paris. It was -- and this is generally admitted -- a testing moment for NATO, coming as it did so soon after the world had witnessed striking demonstrations of the advances of Soviet science and technology. It was a time when, on the military side, it seemed clearly necessary to consolidate and improve our defence against possible aggression, and when on the other hand, in terms of political psychology, the moment seemed to have arrived -- at least in the opinion of many -- for a somewhat more flexible approach to the problem of how to negotiate with the Soviet world.

These parallel aims were not easy to reconcile. The concept of the defensive deterrent is not readily harmonized with the idea of probing for peaceful settlements. Some voices of gloom were raised before the conference met. How could NATO overcome the inferiority complex it was supposed to have inherited from Sputnik I and II? Could the posture of holding up one's guard in defence be combined simultaneously with holding out one's hand in a gesture of negotiation?

I believe it is a measure of the success of that conference that unanimous agreement was reached on a communiqué and a declaration which reflect both our determination to preserve our security and our readiness at the same time to talk the Russians on disarmament. In other words the NATO Governments mixed firmness with flexibility, which I submit is the only combination that makes sense at this time.

There has been much discussion in the Western world in recent weeks about the attitude that we should adopt towards negotiations with the Soviet Union. I desire to say a few words about this. In the first place, let me make it clear beyond a doubt that we, as a democratic and loyal member of the North Atlantic Treaty Organization, are as staunchly determined as anyone in the world to resist the Soviet challenge to our free institutions and way of life. Our stand on this is clear. We are conscious of the threat which faces us and, as our defence programme shows, we are prepared to make, and to keep making, a very substantial national sacrifice as defence insurance. It is only in a free country like Canada that we can make that kind of sacrifice. When I say this I am thinking of men and women in the Baltic States and in Eastern Europe, countries such as Eastern Germany, Poland, Hungary, and Czechoslovakia, which live under a

pall of uneasiness, frustrated hope, and fear. For these countries there is no question of defence against the Soviet threat; there is only hope that one day justice will be done.

Let me quote the passage which the Prime Minister, the Right Honourable John Diefenbaker, was instrumental in having inserted in the final declaration of the NATO conference. That passage, which I may add was unanimously accepted, reads as follows:

"For the entire world it is both a tragedy and a great danger that the peoples under international communist rule -- their national independence, human liberties and standard of living as well as their scientific and technological achievements -- have been sacrificed to the purposes of world domination and military power. The suppression of their liberty will not last forever. Already in these countries there is evidence of the growing desire for intellectual and economic freedom. If the free nations are steadfast, the totalitarian menace that now confronts them will eventually recede."

Now I quote once again, this time from the Prime Minister's letter of January 18, 1958, to Premier Bulganin:

"The Canadian Government continues to be concerned about the domination exercised by the U.S.S.R. over Eastern European countries and the Soviet Zone of Germany. You speak of co-existence, but if this concept means recognition of the existence side of capitalist and communist countries, it must also imply non-interference in the internal affairs of other countries including those of Eastern Europe. The events in Hungary of 1956 have not faded from our minds."

These passages show how we feel about the oppressive control which the Soviet Government exercises over its satellites. But indignation and concern, however spontaneous and sincere, are not enough. Our task in 1958 is to evaluate the nature of the Soviet challenge, to assess it as it applies to different regions of the world, to note its changing forms, and to devise new and imaginative means of dealing with it.

It is this many-sided task on which we of the Western world are now engaged. For us, if you will, it is a time for closed ranks and open minds. To refer again to the agreed conclusion of the NATO conference, the members of NATO stated that they would be "prepared to examine any proposal from whatever source, for general or partial disarmament."

One such proposal has been put forward by Poland with support from the Soviet Union. It suggests a nuclear-free zone in Central Europe. In our Prime Minister's recent letter to Mr. Bulganin, he stated that the Canadian Government was studying Mr. Bulganin's comments on the Polish plan, and that Canada intended to join with its allies in looking into the implications of this type of proposal. The Prime Minister also made it clear that one factor of importance in considering such proposals would be the readiness of the participants to undertake an adequate system of inspection and control. This is only common sense. We must always be certain that such undertakings are being faithfully fulfilled.

The question of possible regional disarmament is now receiving careful study in the NATO Council. The Polish plan cannot, of course, be accepted as it stands, but it has given us something to work on. The care with which NATO countries are examining the Polish plan is as eloquent an illustration as anyone could want that NATO is more than a political vehicle devised to serve merely a military and defensive purpose.

Our attitude towards the discussion of this question is an attitude of constructive purpose. A proposal has been made and, whatever the source, we think it should be studied. Moreover we hope that out of our study will come ideas and policies which will require and which will receive equally careful examination by the other side. It is only by such cautious and thoughtful exchanges of views that progress can be made. This is just one example of the kind of preparatory work, the probing and sounding, through diplomatic channels, of which I was speaking earlier.

We hear and read a great deal these days about the advantages or disadvantages of a summit conference. I know from the many letters which I have myself received that high hopes are entertained for such a meeting.

I think that there is a prospect that some kind of a meeting at the summit is going to take place in 1958. The question therefore would be not whether, but when and where and how it should take place. The Prime Minister has made it clear, in his letter to Mr. Bulganin, that if the participating governments (and we still do not know which these will be) desire to meet in Canada, they will be welcome to do so.

But more important than when and where such a conference will be held and who will attend, is the question of how the preparations are made. The essential consideration is that the success of such a meeting must be assured in advance. A meeting that affords only sounding boards for propaganda will not only be useless but also dangerous to the degree that it deepens tensions and widens fears. In preparing the agenda, for instance, it might be wise to restrict it to questions on which there seems to be

some hope of progress. This preparatory work, in my opinion, can best be done by patient and painstaking negotiations carried on with the minimum of publicity through ordinary diplomatic channels. It is a time for the pick and shovel work of diplomacy, and this is always best done behind the scenes.

In these treacherous times we are, as I have already said, bound to maintain our defences. But to regard this as an end in itself would be futile and possibly fatal. We shall never find peace and security by merely continuing the ever more expensive and perilous contest of arms. The mounting costs of nuclear armament could put the wealthiest nations into bankruptcy, and thus provide a bed for the seeds of communism. No fair-minded person could say that we are guilty of such a hopeless and sterile strategy. Honestly and steadfastly we have worked for peace through a workable system of disarmament in which the security of all the participants is not jeopardized. In spite of the discouragement that we have suffered from the Soviet decision to boycott the new Disarmament Commission of twenty-five nations established last autumn by the United Nations, we have no intention of giving up that endeavour. We shall knock on every door that could conceivably lead the world safely away from international tension and stalemate. The stake is the very survival of our civilization - indeed it could be the survival of mankind.

We are earnestly seeking discussions with other nations to find ways and means of resuming serious and constructive negotiations on disarmament between East and West. We seek to set an example to others in this endeavour by not allowing our efforts to be hampered by narrowness, stubbornness, or consideration of mere national prestige. In Mr. Diefenbaker's letter to Premier Bulganin, our Prime Minister reiterated an offer which he had made on behalf of the Canadian Government last summer - that in the context of a disarmament agreement we would be willing to open all or part of Canada to aerial and ground inspection on a basis of reciprocity. The Western disarmament proposals of last August included a reference to the possibility of a system of inspection in the Arctic regions which lie between us and our Russian neighbours to the North.

In this field of disarmament, it would be wrong and dangerous to pretend that there are not enormous difficulties in the way. On the other hand, there are grounds for hope that mutual interest in survival can provide a basis for an agreement with the Russians which does not depend on faith alone but on the self-interest of both sides to maintain it. This is the role of a young, vigorous and peace-loving country like our own - to sound a note of confidence and hope in times which breed pessimism and fear, ill-will and enmity in the international sphere.



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No. 58/5 TRADITIONS AND TRENDS IN CANADA'S CIVIL SERVICE

An address by A.D.P. Heeney, Q.C., Chairman,
Civil Service Commission of Canada, at the
Empire Club, Toronto, January 30, 1958.

It seemed to me appropriate that I should speak to this Empire Club about "traditions"--particularly so since in the Public Service, as in other institutions of government, we share with other countries of the Commonwealth the noble heritage of Britain.....

It is now more than a hundred years since patronage was abandoned as the basis of appointment and preferment in the Civil Service of Great Britain. Before then, sporadic attempts had been made to improve conditions of public employment. The recommendations of Lord Macaulay for India had pointed the way. But it was the celebrated report of Trevelyan and Northcote in 1853 that laid the foundation for the modern British Service. Their report still stands as an eloquent and succinct statement of the principles of what has come to be known as "the merit system".

More than fifty years later, we in Canada established the same principles in effective legislation and the fact that we did so then was largely due to British example. Our Civil Service reformers in the '90s and in the first two decades of this century made generous employment of British experience in devising their remedies for a situation in which public appointments were made for party advantage - in which, as a consequence, inefficiency and waste characterized the conduct of much of the nation's business. Here, as in much else, we Canadians owe much to 19th century Britain.

It was not long after Confederation that the first of a long series of enquiries by Royal Commissions and Select Committees of Parliament investigated the operation of the Dominion Civil Service. The proponents of radical change in the prevailing regime of patronage were to be found on both sides of the House. The more altruistic motive of improving public

administration by the adoption of a system which would enable appointments to be based on competence was powerfully re-inforced by the increasing irritations of having to parcel out a limited supply of jobs to meet the unlimited demands of party adherents and hangers-on. Successive reports recommended that political allegiance and the will of local patronage committees be replaced by competition and selection by an independent authority on the basis of merit. Over these years, a number of bills were introduced and enacted by Parliament with a view to the adoption of these principles. But their provisions were frustrated by amendment or circumvented in practice. It was not until 1918 that the statute by which we are presently governed became law. From that year, we can accurately date the elimination of the old patronage system from the regular Civil Service of Canada and the beginning of the existing "career" tradition. Patronage died hard. For, even after 1918, efforts were made, and vigorous efforts, inside and outside Parliament, to emasculate the law and to bring back, in one guise or other, the old spoils system. But the main battle had been won and, fortunately, the proponents of a permanent Civil Service - on the British model - were many and powerful in Parliament and in the country. Attempts to reverse the trend have proved futile ever since.

The establishment of the merit system was a notable victory - won over many years by the efforts of illustrious Canadians in both the great political parties. It was a victory we should not forget, one which has borne important national fruits ever since, for it laid the foundation of our national administrative services on the basis of competence, impartiality and permanence.

Recently we have had impressive evidence of the strength of the tradition established then. Last summer you will recall we had a somewhat dramatic change in Ottawa. After twenty-two years of governments of the same party, the Capital awoke to find a Ministry of the principal opposition party about to take office. In this novel situation there were some who wondered whether the civil servants, all but a handful of whom had known only the former Government, would be able to adapt themselves to new Ministers and new policies. And there were some who wondered whether the new Ministers would be content to have as their principal advisers and executive arms those who had been so intimately engaged for so long in the affairs of their political opponents. In the event - as many of you will be aware - but it bears repeating I think - the changeover from Liberal to Conservative rule in Ottawa, was accomplished with extraordinarily little administrative disturbance and little or no fuss. And now, after many months of the new Administration - and they have not been placid months in either national or international affairs - the working relations between the principal civil servants and the Ministers at the head of the departments of government are, I believe, firmly established on a basis of mutual confidence, respect and understanding.

This, surely, is the best evidence of the enduring acceptance in Canada of the principles embodied in the present Civil Service Act. The separation of the Service from party politics is a proud and valuable tradition which we should prize and cherish. It will be maintained safe and sound provided that we remain on guard, that our law and practice continue anchored in the merit system.

There have been a good many changes in the Civil Service in the past forty years. The most striking, of course, is the immense increase in its size. This is not infrequently cited as evidence of the extravagances and inefficiency of government undertakings. And this on the basis of elementary and totally misleading arithmetical calculations - usually based on comparative population figures. The inference, however, is quite unsound. The primary reason for the large increase in government employment over the past generation is that the Canadian people, like the people of other countries, have demanded from their governments a wide range of services and benefits which in previous generations were regarded as the responsibility of the individual, or of private or public charity, or of Providence. This in turn has led directly and inevitably to the employment of the thousands, and thousands, of men and women who have entered state employment since the '30s. This is by no means wholly due to the new social services, but to other things as well in immense variety - research and development of all kinds, assistance for commerce, agriculture, fisheries, - and much more. All of which entails more civil servants. We have come a long way from the days when all that was expected of government was to maintain internal order, to defend the frontiers, and to deliver the mail. Adlai Stevenson once remarked to an American audience "your public servants serve you right". They do in this country too; and, by and large, we get just about as many as we deserve.

This first trend in our Civil Service - expansion - has been accompanied by a second perhaps even more significant - the increased importance and influence of senior civil servants.

The very volume of public business has compelled Ministers to cast more and more of the burden on their officials. The Minister's limited time has to be divided between his political and his administrative duties. Whatever the number and quality of his staff the tax upon his own physical and intellectual resources remains enormous. As a direct consequence - in order to carry on - the Minister has often no alternative but to entrust all but major policy matters to his subordinates.

Because of this - because of these larger responsibilities thrust upon officials by necessity - it has become essential in the national interest that we should have a Civil Service of high capacity and complete integrity.

We in Canada have inherited a splendid tradition. We are fortunate too, in my judgment, in the quality of our civil servants. I believe that the average department of government is as well run as the average private undertaking of comparable complexity and extent. This is certainly not to say that there is not room for improvement.

Those who do business with government often grow impatient and critical at having to comply with complicated and ponderous procedures which sometimes involve irksome delays - and in which they see no sense. This is the familiar problem of government red-tape. In some degree this will always be with us, for such conditions have normally been prescribed to serve some solid public purpose. In government employment, for example, the regulations which govern the process of appointment and advancement are designed to prevent improper pressures and safeguard the merit system. Nevertheless, there is an undoubted tendency in all large organizations - perhaps government especially - toward the proliferation of regulations. And this calls for a process of constant scrutiny and adaptation.

Some of our difficulties can, I believe, be overcome or at least alleviated, within present laws by administrative improvements in the Commission and in the departments. And a good deal is being done as we go along.

But there are other problems which require more fundamental treatment. For the fact is the Civil Service Act was drafted, and well drafted, in conditions quite different, for an essentially negative and defensive purpose - the elimination and prevention of patronage. It is hardly surprising, therefore, that forty years later the Act is not in all particulars adequate to the larger positive needs of our public personnel administration.

It is for this reason that the Government has asked the Civil Service Commissioners to review the whole fabric of law and regulation under which Federal personnel administration is presently conducted and the role of the Commission itself. When we have completed our studies we are to submit to Government a report with our recommendations for a regime more suitable to modern conditions.

On this task my colleagues and I are now engaged. In it we shall have and need the assistance and suggestions of government departments who are our customers on the side of management. We shall also have, from the employees' point of view, the help of the staff associations of the Civil Service.

One of our main objectives in these endeavours, as I see it now, will be to devise means by which the Government Service can increase its efficiency of operation without jeopardizing the merit system - to improve personnel administration in the Civil Service along lines which accord with the best modern practice and with due regard to the rights and interests of the employees.

Some of the questions with which we shall have to grapple are familiar to industry and other outside employers; others peculiar to government. Here are some of them:

Should all employees of the Crown of Canada come under the Civil Service Act? At present there are many thousands who do not; the bulk of them being "prevailing rates" and casual workers employed directly by departments.

How and to what extent should civil servants participate in the determination of their own pay and working conditions? This is ultimately a matter of government policy but the Commission, which has statutory responsibility for recommending salary and wage levels, will be closely affected by developments in this field.

How can we reconcile the necessary safeguards for the merit system, of which the Commission is the custodian, with the extent of departmental authority required for efficient management? Here again, before submitting recommendations, the Commission will have to weigh with great care the evidence on both sides and seek to strike a balance between two points of view.

Another matter to which I think we should give attention is further means of encouraging a wider reflection in the Public Service of the national character of all of Canada. And this without impinging on the essentials of the merit system and the competitive examination procedure which we must at all costs retain. It seems to me that it is of particular importance to a wide and varied country like ours, that our Public Service should reflect in broad measures the nation and its people.

In Ottawa, I believe, we have at present a fair degree of representation from the various regions; but I am not sure that we could not do more to encourage larger numbers of suitably qualified candidates from parts of Canada more remote from the Capital to present themselves for examination. There might, also, I believe be more movement of departmental officials between regions of the country. Certainly there are difficulties, including those of cost, in such suggestions. But here perhaps is an opportunity to serve a general objective of national importance, the greater unity of Canada.

We will, doubtless, wish to introduce into our report provision for much that is new in the art - I find it difficult to regard it as a science - of personnel management. We will, I imagine, wish to give due place to such matters as training, counselling, career planning and other phases of personnel administration where further profitable developments could take place.

In this task the Civil Service Commissioners are increasingly conscious of the important national responsibility that has been given them. But we have also been accorded an unusual opportunity. We hope that the timing may prove propitious and that our efforts may evoke a larger public interest in the Civil Service. "Civil Service Reform" in 1958, though perhaps not so urgent and compelling a battle cry as in those earlier days when raised against patronage and corruption, is still I believe a cause above party in which all Canadians have a close concern. Its course over the next few years may well be influenced to no small extent by public appreciation of the important national issues involved.

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No. 58/6

TRANSPORTATION AND COMMUNICATIONS

An address by Mr. George Hees, Minister of Transport, at the first Annual Meeting of the Sundridge Chamber of Commerce, Sundridge, Ont., January 31, 1958.

It is a pleasure to be able to meet, through the Chamber of Commerce, so many representatives from throughout this very important district and to be able, as I propose to do, to talk to you on the part that transportation and communications have played in the development of this country of ours, and its responsibilities in the immediate future.

If you will bear with me for a while, I would like to turn back a few pages of Canadian history to give you a broad picture of the part that has been played hitherto by transportation and communication.

It is needless to remind you that sailing ships brought to our shores the early Viking explorers, the fishermen from England, France and Portugal and eventually our early settlers. With water the main vehicle of transportation, it is understandable that our coastal areas and the lower St. Lawrence River should have witnessed the first settlements and, later, to have seen such settlements extending further up-river and into the Great Lakes.

From the early days of the French regime, our waterways were developed in the promotion of the fur trade. French traders and explorers extended the lake and river routes as far afield as the foothills of the Rockies and the mouth of the Mississippi, while the "Gentlemen Adventurers Trading Into Hudson's Bay", as the Hudson's Bay Company was called when it was established in 1670, developed a network of fur trade routes extending from Hudson's Bay as far west as the Pacific Ocean. The accounts of the travels of these intrepid adventurers, explorers and traders, whether French or English, are filled with excitement and interest and are a fruitful source of Canadian history.

The development of passenger and freight traffic also followed the Canadian water routes from Quebec and Montreal up the St. Lawrence River to Lake Ontario and Lake Erie, and from York, as Toronto was then called, to the Georgian Bay and Lake Huron, via Lake Simcoe. On these routes, however, an elaborate system of portages was required - the Niagara portage particularly was very slow and expensive - and no improvement in this system took place until canals were built to bypass the rapids and the other obstacles to navigation.

We find that the first attempt to build a canal in Canada was made in the early part of the eighteenth century. The Sulpician Order attempted to construct a shallow canal to by-pass the Lachine Rapids, but due to a lack of funds, the project was never completed. The first successful project was the series of locks and canals built by the Royal Engineers between 1779 and 1783 to provide 2-foot draft navigation between Lake St. Louis and Lake St. Francis.

The advent of the steamship to Canada in the early 1800's brought about a real improvement in transportation on the St. Lawrence and on the lakes, but it was still necessary to resort to various time-consuming expedients to surmount the obstacles on the waterways. Frequently stage coaches and flat-bottom "Durham" boats were used in the portaging operations in conjunction with the steamships.

Only minor canal works were carried on from time to time until 1821 when the building of a 5-foot canal at Lachine was undertaken, and in 1825 when private interests embarked on the building of the Welland Canal to provide eight foot navigation between Lake Ontario and Lake Erie. Since then, Canada has been engaged, almost without interruption, in the extension and development of her system of canals, the main purpose being to provide navigation facilities from Montreal through to the Great Lakes.

And now in 1958, we find ourselves engaged, with the United States, in the construction of one of the greatest engineering feats of the day, the St. Lawrence Seaway, a vital part of the St. Lawrence - Great Lakes waterway which has rightly been described as the world's greatest inland navigation system. This waterway extends more than 2,000 miles from the Atlantic Ocean to the western end of Lake Superior and overcomes a difference of 600 feet in water levels.

When the Seaway is completed and opened for navigation next year, we shall have a waterway in which we can take great pride because the new locks are to have 30 feet of water over the sills and all channels, including even the Welland Canal, will have been dredged to a depth of 27 feet.

Reverting back to early days of transportation, a curious development took place during the first period of canal construction. It was the building of several portage railroads, of which the most significant was the "Champlain and St. Lawrence Railroad" which covered the distance of 16 miles between St. John on the Richelieu River and Laprairie on the south shore of the St. Lawrence, a few miles west of Montreal. This was the first railway to be built in Canada, and was designed to facilitate the movement overland of goods and people so as to avoid the longer voyage by water and to by-pass the rapids in the Richelieu River.

Needless to say the portage lines were soon lost in the general scramble to build railroads on a much larger scale because it was soon realized that they afforded a real solution of the transportation problem which then existed. History shows that railroads served to strengthen the links between the various centres of population and helped to bring about the economic, political and social integration of British North America in the mid-century.

Canada's first railroad era belongs to the 1840's and more particularly to the 1850's, during which time more than 2,000 miles of operating lines were built - largely in Central Canada - and more than \$100 million was invested in railroads. Up to the late 1850's, railroads afforded the most efficient means of tapping Canada's rich natural resources. For example, the Northern Railway from Toronto to Collingwood, which was completed in 1855, was not only instrumental in opening up the fertile agricultural country north of Toronto and in tapping the dense pine forests of Simcoe County, but it also made of Collingwood a port which by 1861 was handling some \$2,500,000 of trade, principally grain from the United States.

The first railroad era, like the first period of canal construction, may not have been the financial success that so many appear to have expected, but it was none the less one of the key steps in the great enterprise of building the Canadian nation.

The second era of railroad building followed Confederation, when the opening up of the west resulted in the expansion of the Canadian economy to include the Prairies and British Columbia, for which transportation facilities had to be provided. Pursuant to the terms of Confederation the Intercolonial Railway, with government assistance, was built from Riviere du Loup to the Maritimes, and was completed in 1876; and as a further part of the broad plan of a Confederation to extend from one ocean to the other, the Canadian Pacific Railway was completed in 1885. Between 1867 and 1885 operating lines increased from 2,000 to 10,000 miles, largely as a result of the construction of these two projects which gave Canada a railway system extending from the Atlantic to the Pacific.

The great commercial boom which preceded the First World War and a number of other factors, such as a large influx of settlers, sparked the third era of Canadian railroad history and accounted for the construction between 1900 and 1917 of an additional 20,000 miles of new lines. Construction of the National Transcontinental and the Canadian Northern, completed in 1914 and 1915 respectively, opened up the northern regions of the Central and Prairie Provinces.

Despite the economic difficulties through which railways have passed since the third era of railroading, we find that the railways are still extending out to areas where natural resources await to be developed and where bulk traffic requires mass transportation. I need but mention places like Atikokan and Manitouwadge in northwestern Ontario; Kitimat in British Columbia; Chibougamau in Quebec; and the new Little River Community around the Heath Steele mine at the end of the Bartibog line now under construction.

Coming to commercial aviation - the most recent form of transportation - I need but say that it commenced only after World War I. By 1920, aircraft were being used in forest protection work and aerial surveys and by 1921 the discovery of oil in the MacKenzie River basin led to the first attempt to establish air transportation on a large scale in the Far North. Later on, in 1924, Laurentide Air Services inaugurated the first air transport service for passengers and goods to meet the needs which resulted from the expansion of the mining industry in northwestern Quebec.

I need not dwell on the development of the aviation industry. Suffice to say that governmental assistance, supervision and control has kept apace with the industry. In the early '20's, a Civil Aviation Branch was created in the Department of National Defence and this became an integral part of the new Department of Transport on its creation in the early '30's. Today, the Air Services of my Department operates some 15,000 miles of controlled airways crossing and re-crossing this country in an east-west direction, extending southward to connect with airways across the border and fingering northward into our Canadian Arctic.

Facilities for the travelling public and for the airlines serving Canada are constantly being improved and every provision is made for the efficient control of aircraft on the airways and to ensure the maintenance of proper standards of safety.

The carrying out in the years since World War II of an integrated program of developing airport and airway facilities has been one of the outstanding features of Canadian aviation. The work which has been done has included the lengthening and strengthening of runways at numerous airports; the building of improved terminal buildings and other facilities

for the public; the installation of instrument landing systems and high intensity lighting to facilitate landing in poor weather; the provision of Ground Control Approach at the International airport of Gander; the installation of the trans-continental airway of the Visual Omni Range (VOR) for the better guidance of pilots in flight; the expansion of the Air Traffic Control service; and the installation of 15 sets of surveillance radar which is expected to facilitate greatly the control of the ever-increasing volume of air traffic.

The first task undertaken by the Department of Transport in the immediate post-war years was the development of runways adequate to meet the needs arising from the rapid growth of civil aviation. By the early fifties, the national network of civil airports had been brought to a point where planes in standard commercial use could land at any of the main Canadian airports.

The program for the development of runways is now being revised to take account of the requirements of the aircraft we expect to see in operation in the 1960's including the provision, where necessary, of runways suitable for use by large turbine-powered aircraft such as the British Britannia, Douglas DC8, Lockheed Electra 7 and Boeing 707.

Plans initiated some years ago to provide new terminal buildings at the main airports across Canada are now well advanced, some of the new buildings have been completed, others are under construction, and more are to be started both during 1958 and 1959.

I think I should mention here that the Department is now evaluating a new electronic navigation system which is equally applicable to shipping and to aviation, whereby a piece of equipment in the cockpit of the aircraft or on the bridge of a ship registers the craft's exact position at all times. Canada is also collaborating with the United Kingdom in the evaluation of a trans-Atlantic navigation system which works on practically the same system. Evaluation tests have been carried out by aircraft, flying by instrument on this system all the way across the Atlantic to Gander and from Gander, westward to Montreal and even further.

May I here make reference to the development of communications. This, the comrade-in-arms of transportation, dates back to the early part of the last century. The first electric telegraph was operated in England in 1823 and the first cable was laid across the English Channel in 1851. Canada adopted the telegraph system early in the last century and laid a cable across Northumberland Strait, a distance of ten miles, also in 1851. This was the first submarine cable laid on the North American Continent.

By 1871, on the advice of Sanford Fleming, then Chief Engineer of the C.P.R., a telegraph line had been laid as far west as Fort Garry and by 1886 had reached the Pacific Coast.

The federal Crown Company, Canadian Overseas Telecommunication Corporation, which reports to me, was party to the construction of the first trans-Atlantic telephone cable which went into service between London, Ottawa and New York in September 1956. Canada and the United Kingdom are now planning a second cable to meet the anticipated growth in traffic. This second telephone cable is expected to be ready for operation during 1961.

Now, gentlemen, I have attempted to give you an overall picture of the Transportation and Communication picture to date. Its history is something we have every cause to be proud of. The future of Canada hinges, in my humble opinion, on our ability to provide ever increasing transportation facilities to meet our growing responsibilities as a nation, and our leadership in Arctic development. In the years gone by, the movement of our young men was ever westward. Today, this new generation looks northward for its chances to create great things, to develop our unlimited northern resources and to harness the power of the future.

I am proud to be associated with a department of government which is so closely akin to past development, and which must, of necessity, be thinking years ahead of its time to keep Canada in the running in the transportation and communication fields. I therefore will take a leaf out of our books and do a little crystal ball gazing of my own.

I can foresee for transportation a continued expansion, unhindered by economic and climatic factors. We must be prepared to expand our aviation facilities so that flying into the Arctic is as safe as is flying across our more temperate zone. Our fleet of icebreakers must be so developed as to be able to pierce into the very heart of the Arctic and thus facilitate the transportation of cargo in far greater quantities than we have as yet attempted. Likewise, our railways must develop branch lines fingering northward to areas which are proven to be capable of providing much in the line of natural resources. Last but not least, I can foresee great developments by our scientists, as a result of which Canada will be among the leaders in the use of nuclear power for commercial purposes.

Today the railway is a dynamic, forward-looking transportation system with a respectable record of achievement behind it, and its most important service to the nation still ahead of it. These are still days of growth, of change, of new problems and of new opportunities for this transportation service.

Canada's investment in Civil Aviation runs into the billions of dollars and we have cause to be proud of our standing among air-minded nations. We today are able to successfully compete with the airlines of other countries for a fair share of international air traffic. But that is not sufficient. Lying as we are at the very crossroad of the air world, we must expand our air facilities to the far corners of our domain and must also retain our high standing in the air world, providing service to all.

As recently as September 1st last, the facilities at Frobisher Bay on Baffin Land were taken over by the Department as a civilian airport and two days later, the first civilian aircraft travelling the trans-polar route from Los Angeles to Paris touched down to refuel. This gives you some idea of the demands of the air world of today. Less than six months later, the airport at Frobisher is being used as a refuelling base by four airlines using the trans-polar route and more airlines are considering its use.

Airport terminal facilities at Frobisher are, to say the least, very limited. We are extending the runways to meet the requirements of the most modern aircraft; we have converted part of the hangar into a temporary public waiting room; we have provided two Neilson Huts for additional passenger facilities; and we have extended the room facilities at the new staff house that has been erected. Facilities we can provide the travelling public are still too limited for modern requirements.

I am drawing attention to conditions at Frobisher as an indication of the gigantic, and somewhat expensive, task we have to undertake up north. Not only do we have to expand existing facilities, but we have to open up new areas. We have to extend our airways, with all their facilities; to help develop this great northern country of ours. We have to provide for the safe navigation of airlines utilizing our northern air routes, and we have to provide for the safety of the air passenger, whether flying in the comfort of a modern airlines, or undertaking exploratory work which may lead to further developments of our Arctic northland.

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No. 58/7 FACETS AND FORM OF CANADA'S FOREIGN POLICY

Address by the Secretary of State for External Affairs, Mr. Sidney E. Smith, M.P., to the Churchmen's Seminar on International Affairs, Chalmers United Church, Ottawa, February 12, 1958.

I wish, at the outset, to express my pleasure in meeting with you here today and to say that I welcome the opportunity afforded by this Seminar to speak to you about some aspects and the shape of our foreign policy.

It is, as you know, only a few months since I assumed a professional interest and a political responsibility in the field of international affairs. In that short period, I have been able to take a close look at the important types of problem with which the Canadian Government is confronted in its relations with other Governments and with those international organizations to which Canada belongs. My purpose today is to proffer a few observations on some of these international relationships, from the point of view of one who has recently come upon the scene.

The conduct of diplomacy among nations is a complex enterprise. It is extremely difficult to describe. Nothing is easier, of course, than to make fun of the profession of diplomacy. There are innumerable stories about the absurdities of protocol (not a very important subject, I admit -- until you make a mistake!), about the antics of the boys in top hats and striped pants and so on. Perhaps I can risk reminding you of one of these rather slanderous stories since I do not see any striped pants in this audience.

Just after the First World War, half a dozen young men sharing a compartment on a European train were swapping, not without boast, stories of their wartime experiences and exploits on land, at sea, and in the air. Only one was silent. Finally, one of the group enquired politely where he had served during the War and he was forced to admit that he had spent it behind a desk in the Foreign Ministry. "But just remember this", he added waspishly, "if it hadn't been for us, you'd never have had your old war."

The story may be frivolous but its overtones are indeed sobering. The outbreak of a war is the signal that diplomacy has failed; for the task of diplomacy is to preserve the peace.

I have been struck -- and this thought came into my mind as I reflected on what I might say to you today -- by the relation which exists between those who, like yourselves, minister to the moral and spiritual needs of mankind, and those who, by their pursuit of settlements of disputes among nations, are also engaged in and dedicated to the search for, on earth, peace, goodwill toward men. Our two callings have some requirements in common -- requirements, I may add, which apply in equal measure to the profession of education. All three of them call for devotion to abiding ideals, for patience, hard work and refusal to accept discouragement. In all three groups, progress is for the most part gradual, sometimes indiscernible, whether the aim is spiritual betterment, intellectual improvement, or peace among the nations. I know that in your vocation the value of unspectacular effort needs no underlining. It is the same in the conduct of foreign policy.

What are some of the most important channels through which Canadian foreign policy finds its direction and its expression?

United Nations

I begin with the United Nations. Some seven or eight years ago, at one of the most uncomfortable stages of the Cold War, the United Nations had fallen into serious discredit in much of what we call the Western world. The monotonous and ominous chorus of vetoes had arrested the intended growth of the Security Council, and small comfort could be drawn from the few modest successes the Organization had attained in the political and security field - in Indonesia, in Greece, in Palestine and Kashmir. The action of the United Nations in Korea, prompt and effectual as it was, did not greatly raise our hopes in the United Nations as an agency for maintaining international security. For intervention by the United Nations in Korea would almost certainly not have been possible had the Soviet representative been in his chair at the critical moment.

Then again, the character of the Organization was changing before our eyes. The membership was expanding and the new members immediately made their presence felt. As the numbers of this new "uncommitted" group increased, there emerged a new factor of prime importance in the United Nations. In Western countries, some voices were to be heard regretting the good old days of automatic majorities for Western resolutions, and prophesying doom for Western interests. But it has become abundantly clear that the "uncommitted" countries are genuinely uncommitted and are capable of making decisions according to their individual judgments. And the result is that these countries seldom vote as a bloc.

In Canada we have not, of course, been unaffected by the criticisms which have been directed against the United Nations. Yet, on the whole, the tendency here has been to avoid harsh judgments on the Organization. It may be that we should be less tolerant if, like the United Kingdom and other countries administering territories overseas, we found ourselves exposed to irresponsible criticism, or if, like the United States, we collected abuse and requests for economic and financial aid, in almost equal quantities.

But I think that there may be less pessimism about the U.N. as an institution among Canadians than in many other countries because, although we have always looked upon it as an essential framework for international collaboration, we have taken the view, from the beginning, that in the present state of the world there is a limit to what we should expect of it. Whatever our aspirations for its future, we have thought that it is a mistake to conceive of the United Nations as anything in the nature of a world government which could enforce world law with a kind of universal world police. It is not a supra-state. Its imperfections reflect the imperfections of its member nations. It is rather an agency for reconciliation and negotiation, a forum where opponents can maintain communication and eventually reach compromises and solutions. It is not a substitute for diplomacy; it is a place where, at least in some situations, diplomacy can be more effectively conducted. If it did not exist, mankind would find it necessary to invent a comparable forum.

I remarked earlier that diplomacy is unspectacular work. I can think of no better recent illustration of this truth than the successful efforts made during the twelfth session of the General Assembly last Autumn to calm the passions aroused by the dispute between Syria and Turkey. The net result of the long debates on the floor of the Assembly, and of the even longer deliberations behind the scenes was, in terms of resolutions, nothing. Yet, a potentially explosive situation subsided without either side losing much of its self-respect. This was a considerable success for what the Secretary-General of the United Nations, Mr. Hammarskjöld, has called the "diplomacy of reconciliation" and it provides in my opinion a good example of the United Nations at its best.

I was very much impressed, during the period which I spent at the General Assembly, by the high reputation which Canada enjoys in United Nations circles. I found it particularly gratifying that the Canadian Delegation was so frequently invited by other delegations from every corner of the world to consult on items on the agenda of the Assembly. That is a tribute to the calibre of the Canadian people: it is a recognition of the growing prestige of Canada: it is a realization of the fact that Canada seeks peace without any ambitions for territorial expansion or selfish domination of other peoples. Apart from the satisfaction of helping in the work of the United Nations, there is something more.

And that is that increasingly the United Nations, under the wise influence and unobtrusive guidance of Mr. Hammarskjöld, is proving its value as the central market-place of world diplomacy. You and I can remember all too vividly the days when, because of the crippling chill of the Cold War, conversations between groups of nations were virtually at a standstill. We can all be deeply grateful that those days are gone, and while I am perfectly well aware that the change is attributable to many factors beyond the purview of the United Nations, yet I am convinced that it is in the United Nations that the benefits of the change can best be exploited. As I have already indicated, it is important to encourage the new nations of Asia and Africa to participate with a full sense of their growing opportunity and responsibility in the United Nations' search for peaceful settlements. There are already signs that the deliberations of the United Nations are being enriched by a flow of new ideas and fresh viewpoints from this source.

There are two very significant and powerful trends among the peoples of these countries of Asia and Africa -- a surge of newly-awakened nationalism, and a quest for a position of their own between the two ideological camps into which the world is divided. A recent, and, I think, very important manifestation of these two trends -- nationalism and the desire for non-alignment, or, as they call it in the Middle East, "positive neutrality" -- is the sudden union of Egypt and Syria, which may be a step towards that wider Arab unity which has long been the goal of Arab nationalists. We have no way as yet of judging how the new union will develop, or how far it may ultimately extend; but the tide of history is running fast in all these countries, and it would be unwise, I think, to adopt hasty attitudes with respect to a development which may in fact represent the pattern of the future. Canada will be watching with interest the evolution of the new union and we pray that the forces which have brought it into being will be channelled along constructive lines. Meanwhile, we must work to ensure that the general tranquillity of the area of the Middle East is preserved.

Our continued participation in the United Nations Emergency Force, on the borders of Egypt and Israel, and our support for the humanitarian work of the United Nations Relief and Works Agency for Palestine refugees -- recently supplemented by a large gift of flour from Canada -- are examples of our efforts under the aegis of the U.N. to preserve the peace in this turbulent area. It will interest you to know that a few days ago I had a letter from Mr. Labouisse, the Director of UNRWA. Mr. Labouisse said, in part: "The decision of the Canadian Government to make a special supplementary contribution to UNRWA of 20,000 tons of flour, valued at \$1,500,000, has brought great joy to all of us concerned with the problem of the Palestine refugees. This very generous additional contribution will go a long way toward enabling us to continue our basic services for the refugees."

Colombo Plan

I desire now to refer to another field in which we are engaged in an enterprise of international co-operation. I refer to the Colombo Plan.

Canada is now giving significant assistance every year to the Colombo Plan countries of South and South-East Asia. The Colombo Plan is a scheme under which some of the wealthier countries of the world are able to give very tangible evidence of their concern for the well-being of the peoples of less fortunate countries. Under this scheme, Canada, Japan, the United States, Australia, New Zealand, and the United Kingdom are joined with the countries of the Colombo Plan area in seeking ways in which our economic resources and technical skills can be mobilized for the common good. The Colombo Plan provides us in Canada with a means of aiding the under-developed countries in South and South-East Asia in their unceasing struggle to raise standards of living and to seek a better way of life for their people. In this manner we can show that our humanitarian professions are matched by humanitarian deeds.

One of the features of the Colombo Plan in which, as a Canadian, I take pride, is that it was a concept initiated and brought about by the free association of nations in the Commonwealth. The Colombo Plan has the Commonwealth trademark on it, although of course it now extends beyond the Commonwealth area.

Our Colombo Plan contribution now involves Canadian participation in a number of capital development projects, of which electricity-generating stations and transmission lines and the atomic reactor for peaceful purposes being built for India are perhaps the most significant. It involves training over two hundred Asian students here in Canada every year and in sending a number of Canadian experts and engineering firms to work abroad. We have proposed that for 1958-59 Parliament should vote \$35 million toward these Canadian Colombo Plan operations. This is \$600,000 more than in the current financial year; and it is a recognition that Canadians in all walks of life support this national effort. Recently the Government announced grants to two countries outside the ambit of the Colombo Plan--Ghana and the new federation in the West Indies -- to enable these countries to train personnel for their administrative, educational and industrial activities. These initial grants may well be the prelude to larger grants to these new nations. Increased assistance for UNICEF -- the United Nations Children's Fund - is contemplated.

Another aspect of international assistance which is of great importance is relief to the victims of great disasters. This is particularly important when disaster strikes a country which lacks the financial resources or the physical resources to cope with an extensive emergency. You will recall that at the turn of the year there was a drastic and tragic flood in Ceylon

which inundated large areas and destroyed crops and homes. Canada provided two plane-loads of urgent medical supplies, some from Canadian Government stocks and some from the Canadian Red Cross. These were flown direct to Colombo by the RCAF. Subsequently, we considered the request of the Government of Ceylon for a more substantial volume of assistance once the immediate emergency was over. We decided that we would make available to Ceylon \$3 million worth of flour. This will provide food to replace the destroyed crops and also, when sold by the Government of Ceylon, will provide local currency which will assist them with their reconstruction budget. This \$3 million worth of flour is part of a \$15 million grant which has been announced in Parliament and which makes it possible for Canadian wheat and flour to be used to meet acute food shortages in India, Ceylon, and Pakistan.

UN Aid Programmes

Another important way in which we are able to give assistance to less fortunate countries is through the United Nations and its Specialized Agencies. The most important of the United Nations aid programmes now in operation is the Expanded Technical Assistance Programme. This has an annual budget of \$30 million a year, to which Canada's annual \$2 million is the largest per capita national contribution.

A new and encouraging development in the field of United Nations aid is the proposal to establish a new UN fund to finance certain more substantial projects which are basic to economic development, but which have been outside the scope of the existing programme. Canadian representatives last autumn indicated in the UN discussions on this proposal that if suitable administrative arrangements are made and if the fund is broadly shared by the UN membership, we will be prepared to make an appropriate contribution. Canada has been chosen a member of a Preparatory Committee which will be considering the detailed arrangements necessary to call this new fund into operation. Next month these important discussions will begin in New York. I think we can confidently expect that the next General Assembly will see a stronger UN instrument ready to help the under-developed countries.

NATO

I have left to the end my remarks about our role in NATO. The importance that we attach to our relations with the United Nations, and to our co-operation with the nations of Asia and Africa should not be left unqualified. In the face of the uncertainty created by the enigma of Soviet power, and because we could not rely on the United Nations as a collective security agency, we had no alternative but to join in building NATO with nations who felt the same apprehensions. NATO was conceived as a response to a strategic threat, and it remains the main foundation of our defence policy. It is not pleasant to think

in terms of deterrents and retaliatory power. It is not pleasant to pay the annual bill for them, but I am convinced that it is no more than elementary prudence to keep our defences strong, modern, and adapted to our best evaluation of possible future needs.

I must confess -- although I wish it were otherwise -- that I see no present justification for dismantling any significant part of our defence structure. That step must depend on the result of negotiations with the U.S.S.R. I greatly regret that no significant reduction in our defence commitments is at present possible, because the disadvantages are obvious. There is first the increasing expense of competing in the production of arms; and indefinite extension of this competition could lead us to national bankruptcies. Secondly, there is the task of explaining not only to the Soviet Government but also to our friends in the Middle East, Africa, and Asia that, although we continue to build up stocks of ever more destructive weapons, we have no intention whatever of using them except in response to aggression. That is a fact. We in the West must not find ourselves so preoccupied with our own defence that we fail to recognize and exploit opportunities to narrow the gulf of tension and distrust which now divides the two great world powers.

From these words, you will know that foremost in my mind is the aim of finding some basis for peaceful settlements on outstanding issues. This I am sure is the positive aim of all NATO Governments.

Does there exist today a probability or some possibility of a mutually satisfactory settlement? I must say frankly that I see no present prospect of an all-inclusive settlement. On such issues as German reunification and the Soviet position in Eastern Europe, the Russians appear to be as intractable as they ever were. On the other hand, it is probable that the Russians, sufficiently fearful of the dire consequences of space-age warfare, do desire an easing of tension. One can detect a note of genuine anxiety in some of Mr. Bulganin's latest public correspondence, and while this note in itself should not cause us to relax our vigilance, we should be alert to any openings for negotiations which it may foreshadow.

One possible avenue of progress is in disarmament, whether along the lines already followed in the United Nations -- if the Soviet Government will agree to participate -- or on a limited regional basis such as in Central Europe. It may be that other possibilities exist. Let us continue to look for them.

A meeting at the summit with the leaders of the Soviet Union is approaching. There is a clear prospect that it will be held in 1958. I have already had occasion to say that so far as the Canadian Government is concerned, we attach cardinal importance to the preparatory stage. We welcome indications

that the United States and Soviet Governments have agreed to exchange views on the formulation of the agenda and on other important procedural questions. We await with close interest the outcome of this preliminary planning. We are seeking to promote its success.

The United Nations, the Colombo Plan, NATO, and, of course, the Commonwealth -- these are four international associations to which we belong. That they overlap in membership, that they differ in scope and purpose, is merely a sign of the times, and a sign that Canada's international interests are widespread and must be harmonized. Our membership in NATO, for example, is of course entirely consistent with our other associations; indeed NATO's part in resisting the Soviet challenge to free institutions in Europe and elsewhere has helped to strengthen the United Nations. Conversely, currents of thought circulating in the United Nations inevitably have their impact in NATO.

The term "interdependence" has been widely used in recent months. It has been applied to the Atlantic Alliance, and there is of course no doubt that the nations of that alliance are interdependent. But I wonder if there is not a risk in giving that term a restrictive definition. Dare we delude ourselves in this nuclear age that to a degree interdependence is anything other than global?

In the declaration of NATO issued on December 19, 1957, it was proclaimed to the world: "We are prepared to examine any proposal, from whatever source, for general or partial disarmament". Canada, at Paris, had no small part in fashioning that attitude. Your Government is probing for and seeking in many national capitals the ways and means in preparing for a Summit Meeting or meetings which would hold some promise of attaining some agreement on some points and thus pave the way for progressive solution of remaining critical problems and the steady building up of understanding and trust. The alternative to that policy might be a nuclear war -- in which the stake would be the survival of our democratic civilization -- indeed, the survival of mankind.

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No. 58/8

RESOURCES DEVELOPMENT IN CANADA

An address by Mr. George Hees, Minister of Transport, at the luncheon of the Prospectors and Developers Convention, Macdonald Hotel, Edmonton, Alta., February 24, 1958.

Prospecting and the development of natural resources in Canada have gone hand in hand throughout the period of Canada's growth as an industrial nation but full realization of our inheritance is largely dependent on transportation. Whereas the early prospector was compelled to proceed afoot to carry out his search for mineral deposits and was only able to bring back small samples of his find, the modern prospector uses aircraft and the latest scientific instruments in his work. Likewise, modern surveys are mostly carried out with the help of both fixed wing aircraft or helicopters. However, it avails us little to know that an area is abundantly rich in mineral wealth or other natural resources unless it becomes feasible to provide the necessary transportation to move the ores to processing plants, logs to saw mills or paper mills or produce to the consumer.

Not only must we constantly expand our railway facilities, improve water navigation and extend the range of our commercial airlines, but we must embark on a network of northern roads as a preliminary step to the overall development of our north country and indirectly the whole of Canada. In fact the whole national development program as the Federal Government sees it can only reach fruition as communication and transportation lines are built to enable the raw material to be collected, processed and distributed. As has been already stated, the national interest may possibly require the construction, with federal participation, of a second trans-Canada Highway in the West further north than the one now being built.

Opening up our northern areas by roads would appear to be a natural objective in the development of districts which are rich in resources but are practically inaccessible except by air. In considering our northern requirements, it is obvious that the easiest and quickest approach to the Arctic is through the Yukon, where roads are already available for part of the way; where oil and mineral resources are known to exist, and are the object of determined exploratory work; and where it becomes more and more necessary for Canada to extend its national sovereignty.

A second route would proceed from Great Slave Lake to the east end of Great Bear Lake and northwards to Coppermine. A five to ten-year plan which has been worked out envisions a grid of roads aimed at opening up the most favourable of the areas from a geological point of view. The Federal Government is planning an extensive road building program in the Yukon and the Northwest Territories, and is offering assistance to Provincial Governments to provide necessary links between these northern roads to resources, and the more settled areas to the south.

One of the later but by no means unimportant stages in building the economy of Canada should be to arrange for the processing of much of our natural products. This is tied in with the location and supply of energy and strategic metals, as is transportation and markets. A survey of resources in Canada would, at first glance, indicate that the southern part of the Yukon and the southern part of the Mackenzie Valley in the Fort Smith area have the necessary ingredients for expanded industrial production. The interior of British Columbia, both north and south, is also favourable. Other areas could be a northern Manitoba-Saskatchewan area, and the Maritimes.

The most promising of the prospects in the Northwest Territories today are the lead-mine deposits on the south shore of Great Slave Lake, which are considered to be among Canada's largest. Exploitation awaits the provision of transportation facilities. There are also the iron ore deposits on the Belcher Islands in Hudson Bay, and the lithium-bearing dykes east of Yellowknife.

Much has been done toward the topographical and geological mapping of the Northwest Territories, but because of its vast size, the inaccessibility of much of it, and the shortness of field seasons, a great deal remains to be done. Interest in the northland, mineralwise and otherwise, has been increasing, and the Government has been stepping up its mapping activities to meet the demand.

So great is the area to be mapped in Canada that the Geological Survey has had to turn to helicopter-supported parties to provide more rapid reconnaissance so as to be able to evaluate the possibilities of these great unmapped areas within the foreseeable future. By this method, 30 times greater coverage has been achieved during any one season.

In three operations in the field season of 1952, 1954 and 1955, the Survey mapped a total of 185,000 square miles of the Precambrian in the mainland portion of the Territories on a scale of one inch to eight miles.

Moreover, the experience gained in these operations has enabled the Survey to cut costs and to actually map large areas by helicopter at less cost than by conventional ground methods.

Last year in Operation Mackenzie, the Survey mapped 100,000 square miles of the Upper Mackenzie River drainage basin, much of which is being explored for oil and gas. The region is underlain by rocks similar to those in which producing wells have been found in Alberta and to the northwest at Norman Wells, and there is little doubt that this whole area contains a great reserve of oil to which Canada will turn in future years.

This year the Survey will use helicopters to map the geology of the Wholdaia area in southeastern Mackenzie District, large sections of which are inaccessible to canoes. This year, too, it will also establish fuel caches for two ambitious projects it has scheduled for 1959, Operation Coppermine, and the aerial reconnaissance of Banks and Victoria Islands.

In Operation Coppermine, the Geological Survey will map some 60,000 square miles of territory in northern Mackenzie District starting at the western boundary of the Shield and proceeding eastward towards Bathurst Inlet.

In the Banks-Victoria Islands project, the Survey expects to explore the main stratigraphical and structural features of some 125,000 square miles of the Islands which are still unexplored geologically.

Together, these projects are providing the data for an assessment of the mineral potential of the Canadian Northland. They are also providing a veritable storehouse of valuable information to which industry and those interested in resources development may turn in years to come.

The increasing importance of the Canadian Northland, economically and politically, in the modern scheme of things, has underlined the need for good base maps of the whole region. The first step to this end is to carry out high altitude vertical photography of the area to be mapped. This has been completed over the mainland Northwest Territories, and the Topographical Survey is now mapping this part of the Territories on a scale of four miles to the inch.

Moving into the Arctic Islands, the Department of Mines and Technical Surveys is setting under way this coming field season a \$6,000,000 project to photograph the Islands for later detailed topographical mapping.

The project is the largest of its kind ever undertaken in the Free World, and it will take a dozen planes six years to photograph the 500,000-square-mile area.

In anticipation of such photography and mapping, the Department of Mines and Technical Surveys, through its Geodetic Survey, started in 1955 to set up the initial framework of survey control necessary for mapping over the Islands and completing the job in 1957. The thousands of photos to be taken will be tied into this framework, as will the control for later topographical mapping of the Islands by the Topographical Survey.

The Geodetic Survey was able to complete this vast project in such a short time by using shoran, an electronic method of distance measurement. Since 1949, it has completed a shoran network of survey control over all of the mainland Northwest Territories and Yukon, as well as over the Arctic Islands.

Mention should also be made of the hydrographic surveys undertaken to make our northern waters safe for shipping. For this reason the Department of Mines and Technical Surveys has added a new vessel, the BAFFIN, to its hydrographic fleet for the special purpose of Arctic work. During the past few years, the Canadian Hydrographic Service has been charting shipping routes in the Hudson Bay and Hudson Strait for the shipment of ores and concentrates to European and other ports. In addition, that service also assigns hydrographers each year to the northern supply vessels of the Department of Transport to carry out charting along the vessels' tracks and in the ports visited.

I have attempted to briefly outline for you the work of the Federal Government along lines very close to your interests. This shows that the Government has long range plans for the development of natural resources throughout Canada, and particularly in the northland. Associated in this venture are the governmental Departments of Northern Affairs and National Resources, and of Mines and Technical Surveys, and also my own Department of Transport. In carrying out this work, large sums of money are invested every year in the future of Canada. As governmental planning progresses along the lines I have mentioned, this outlay will undoubtedly greatly increase. But as I have said before, and as I will continue to say: the future of Canada is in our hands, we must invest wisely and freely in this future, and the returns will be a hundredfold.

Thus prospecting, development and transportation work together in the creation of a great future for our northland - a future in which you Edmontonians are playing a most important role.

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/9 CANADIAN VIEWS ON FISHING ZONES AND TERRITORIAL WATERS

As prepared for delivery in committee by the Hon. George A. Drew, P.C., Q.C., Chairman of the Canadian Delegation to the International Conference of the Law of the Sea, Geneva, March 17, 1958.

...We are here to consider one of the most carefully prepared documents ever to come before any conference. From November 1947, when it was appointed by a resolution of the General Assembly of the United Nations, until July of 1956 when it completed its final report, the International Law Commission examined every aspect of the Law of the Sea. In addition to the very distinguished members of the Commission itself, many men of great experience and ability from most of the countries represented here at this time had an opportunity to express opinions and contribute something to the final result. The members of the Commission received evidence, advice and suggestions from every part of the world. It is doubtful if any argument can now be presented which has not already been given careful consideration by those who finally prepared the report that is now the basis of our discussion. We are, of course, not bound to accept every recommendation without challenge. Some subjects are deliberately left open by the Commission for decision here. However, I do respectfully suggest that where the Commission has come to a definite decision and has made a clear and positive recommendation, the presumption should be in favour of accepting that recommendation unless there are equally clear and compelling reasons to the contrary.

We have our own reservations about some of the recommendations and shall put them forward when the various articles are under examination in the committees to which they have been assigned. The fact that I do not go into detail in my remarks today about any particular section or article is merely a recognition of the fact that, in general, we agree with the findings of the report and are mainly concerned about the details which can best be discussed when the particular article is under consideration.

I think I should emphasize that it is of the utmost importance to Canada that there be clearly defined laws of the sea universally applied throughout the world. Merely to indicate the measure of our concern about this subject, may I take the time to place some facts before the committee which may not be generally known. We are the only country bounded by three oceans, the

Atlantic on the east, the Pacific on the west, and the Arctic on the north. Including the very large islands on the east, west and north, we have a coastline of more than 30,000 miles or 55,000 kilometres, approximately the same as that of the U.S.S.R. They are, in fact, much the longest coastlines in the world and in both cases they are rich fishing grounds for most of their length.

Off our coasts lie old and historic fishing areas from which many countries have been drawing rich harvests for centuries. On the west our salmon, halibut and other fish have been caught by Canadian and United States fishermen for many years. On the east, the Grand Banks of Newfoundland have been fished regularly by Portugal, Spain, France and several other countries. In fact, two years ago Portugal celebrated the 500th anniversary of the first of their annual fishing expeditions to the Grand Banks in a colourful ceremony at St. John's, Newfoundland. That goes back long before the beginning of our life as a nation. I mention this because these fishing resources are of interest not only to ourselves but to many other countries whose ships have continued their rewarding efforts for so many years.

The interest of different nations in this subject is also brought into perspective by the size of their annual catch of fish and other sea food. May I give the last figures available, those for 1956, for the first fifteen countries in terms of metric tons. These were the catches in 1956: Japan, 4,763,000; the United States, 2,936,000; Continental China, 2,640,000; U.S.S.R., 2,617,000; Norway, 2,129,000; Canada, 1,077,000; United Kingdom, 1,050,000; India, 1,012,000; Germany, 771,000; Spain, 749,000; Indonesia, 652,000; Union of South Africa, 555,000; France, 538,000; Iceland, 517,000; Portugal, 471,000. When it is remembered that China has over 600,000,000 people, the U.S.S.R. over 200,000,000, the United States 170,000,000, and Japan 90,000,000, it will be realized that the Canadian catch for a population of 17,000,000 people does constitute a very important part of their economic life. In fact, it is not without significance that Canada, with a third of the population of the United Kingdom, has a larger annual catch. I have placed these figures before you only to establish the fact that when we speak of our interest in fishing we are discussing something that is of very great practical importance to our people, particularly to those living along our long coastline, who depend so largely upon fishing for their livelihood and sustenance.

We are also very directly interested in everything related to the navigation of the seas and the freedom of the seas. In 1956, cargoes were loaded on ships in our ports to the total of 50,000,000 tons. I should also mention the new and rapidly expanding means of transportation which will be greatly affected by the decisions here. We have commercial aircraft lines already flying to many parts of the world and rapidly extending their services for passengers and freight. The routes they can follow and the services they can give, as much to the people of other lands as to our own, will depend upon decisions made here in regard to the area over which there is real freedom of the sea because that measures in turn their right to freedom of the air.

I have mentioned these subjects only to make it clear * that when we place our arguments before you with the utmost respect for the opinions expressed by the representatives of every other country, we are not speaking of something merely of legal or academic concern but rather about things which will have a very important bearing on the prosperity of our people and the economic development of our country.

We do most earnestly hope that this conference may reach agreement on every important question which has been placed before us. I find it difficult to believe that anyone here has not been deeply moved by the knowledge that these eighty-seven delegations which have been brought together come as close to representing the whole of mankind in one particular field of activity as has ever happened at any time. I feel sure that every one of us has been impressed by the spirit of goodwill and the genuine desire to find common grounds of understanding in dealing with subjects in which we all have a mutual interest.

There is little doubt that there is general agreement on most points covered by the report. We also know that there is a wide divergence of opinion in regard to some particular articles which are of the utmost importance to all of us. May I presume to suggest now that when we come to the detailed consideration of those articles, time may be gained if the articles which are known to be contentious are deferred so that the committees can proceed quickly to reach agreement upon the subjects about which there is little dispute. I make this suggestion, not for the purpose of postponing a decision, but because we could then establish a wide basis of agreement early in the conference. I think it is not too much to hope that the spirit of friendly co-operation which would be generated in this way might well make it easier for us to tackle our more difficult problems later. There would also be opportunities in the meantime for all of us to discuss privately the various possible solutions of those particular questions.

The speeches which have been made during this general debate have dealt mainly with the distance over which authority is to be exercised in controlling fishing rights in coastal waters and also in the measurement of the territorial sea. I think it is clear that on all other subjects general agreement will not be too difficult. Many countries, including Canada, are greatly interested in the continental shelf. There are some differences of opinion. Nevertheless, I think there is sufficiently general agreement as to the principles involved to find common ground without too much difficulty. Then there is the new field of law embraced in the effort to assure freedom of the sea to the landlocked states. Canada will do everything it can to assure the right of landlocked states to the use of the high seas which Prince Wan has so aptly described as "the common heritage of all mankind." We will welcome suggestions and advice and will co-operate wholeheartedly in an effort to make it possible for landlocked states to carry their trade with other parts of the world in their own ships. But these and other similar subjects about which there is broad agreement in principle if not yet in detail will best be advanced by examination of specific proposals in each committee.

When it comes to the question of the area within which full authority may be exercised over fishing rights and the extent of the territorial sea I do think that much has been gained by the exchange of opinions in this general debate so that on the one hand the differences which do exist may be understood and on the other hand some obvious misunderstandings may be corrected. When I speak about these subjects on behalf of Canada I think it is appropriate that I should explain that in this case I am speaking on behalf of Canada in a way that is not always possible in a democratic country where differences of opinion are freely expressed. We are in the fortunate position that there is no difference of opinion in our country about what is known to most of you as "The Canadian Proposal." It was put forward at the General Assembly of the United Nations on December 7, 1956, by the representative of the preceding government in Canada. It was repeated in a memorandum to the Secretary-General of the United Nations by the present government on September 10, 1957, and it has received general approval by all parties in the Canadian Parliament.

Fishing Zone

We believe Canada should be able to reserve exclusive fishing rights for its own fishermen within a contiguous zone of 12 miles from the coastal baseline as defined by Articles 5 and 6. We believe that Article 66 should be amended to add the control of fishing to those subjects already covered by Section 1. This would seem to be the most satisfactory and most practical way of dealing with this subject because it comes logically under the article relating to a contiguous zone over which control will be exercised rather than any of the articles which deal with fishing on the high seas.

In seeking exclusive national jurisdiction over fishing within a 12-mile limit from the baseline we are not disregarding the arguments which have been put forward in favour of retaining a 3-mile limit over fishing as well as the territorial sea. We are impressed by the statements which have been made by the distinguished representatives of the United Kingdom and other countries as to the effect of such an extension of national jurisdiction over fishing upon their own fishing in distant waters. We would greatly regret that any decision by this conference might substantially reduce their annual catch. We do hope that satisfactory alternative arrangements can be made by agreement between the states concerned. In any event, we have imposed a 12-mile fishing limit on our own trawlers since 1911 for the protection of our shore fisheries. Thus within a 12-mile contiguous zone our own fishing trawlers have been denied by law the right to fish for 47 years. It is only natural that we should seek an international law which will impose the same restriction upon trawlers from other countries fishing in the waters off our coasts.

It is significant that many other countries have already adopted the same contiguous zone for other purposes. It is not merely a question of the area which may be required for conservation. That varies according to local conditions. It may be debatable whether a 12-mile zone is required for most conservation plans. However, it does seem reasonable that a country should have some prior claim upon the stocks of fish heavily concentrated in an area where the local population is dependent on them for their livelihood. Twelve miles may not be scientifically exact. However, it has been sufficiently well established that the International Law Commission recognized it to the extent of declaring that neither contiguous zones nor territorial waters should be extended in any case beyond that distance. Perhaps it may be regarded as a figure of convenience as are many other figures which reasonably interpret a particular requirement just as the 3-mile limit has over so many years.

We understand the natural desire of less-developed countries which so greatly depend upon the food resources of the sea to exercise the widest possible control over the waters which supply their food, particularly when they have not the financial resources to equip and maintain long range fishing fleets. Fishermen are the same all over the world. It is the small fisherman in Canada, as elsewhere, who faces all the dangers to harvest the food from the sea. Community after community depend upon their efforts and their success. It is for them that we seek 12 miles of exclusive fishing rights with the contiguous zone. We are naturally sympathetic to the claims of some of the Latin American countries and others, whose distinguished representatives have explained their own particular fishing problems and the reasons why they have sought control over such wide contiguous zones. But we are inclined to think that in view of the recommendations of the International Law Commission it is most unlikely that there could be agreement upon the approval of anything more than a 12-mile contiguous zone. We do therefore respectfully urge those who seek more to accept the 12-mile zone as the widest area of national control over fishing upon which there is likely to be agreement, except for arrangements in regard to conservation or other special considerations of that kind.

Territorial Sea

Now I come to the question of the territorial sea. This would seem to be the most contentious question which will properly come before this conference for debate. At first glance, it might seem that if it is desirable to extend the area of control over fishing, the simplest way would be to extend the territorial sea to whatever distance is required. I submit, however, that the two are not bound together in any way and that very unhappy results could follow the adoption of this apparently simple rule of thumb. As a representative of the Canadian Government said in the General Assembly on December 7, 1956, "the general extension of the breadth of the territorial sea could have important consequences for the freedom of sea and air navigation." The same point was raised in the Canadian Memorandum to the Secretary-General of the United Nations on September 10, 1957.

It is important for us to remember that those consequences could impose very serious limitations on the freedom of the sea as well as the flight of commercial aircraft which is becoming an increasingly vital means of communication and trade between all countries of the world. I do hope that in the discussions which take place when Article 3 is before the committee there will be no uncertainty about the fact that exclusive fishing rights can be exercised up to the 12-mile limit whatever the measure of the territorial sea may be below that figure.

Let us then examine the question of the territorial sea strictly on its own merits. Whatever arguments may be used to support the retention of the 3-mile limit, I would like to say that there are some arguments that I have heard which in our opinion definitely do not apply. First is the suggestion already mentioned that the territorial sea needs to be extended to the same width as the contiguous zone established for the control of fishing. Second is the argument that this is a sign of progress. With every respect for the opinion of those who have expressed this view I do most strongly contend that it would be the very opposite. The extension inwards of the high sea to within 3 miles of the coast has been the most striking evidence of the progressive expansion of the freedom of the seas. If we started to move the area of free navigation farther out from the coasts we would, in fact, be setting the clock back 300 years.

Canada is a young country, in time of actual development, probably one of the youngest here. We want progress. I think without undue immodesty we may claim to have achieved some substantial measure of progress. Our eyes are in the future. We want the widest possible freedom of the sea for the movement of our ships and the movement of our aircraft which are now flying millions of miles every year in the peaceful carriage of passengers and goods. We want the same freedom for all nations to bring their trade to our shores and to the shores of all lands. It is not only the road to prosperity. It is the road to peace.

Let me mention another argument which has been used in support of extending the territorial sea. A very distinguished and very able delegate said to me in all earnestness, "after all, the 3-mile limit was set when gun range was three miles. We must move with the times and recognize that we need a greater area for defense. "Now let us examine this proposition. As we are a very large country with a relatively small population it is unlikely that anyone will think we would look at this problem except from the point of view of defense. What are the realities?

I doubt very much if 3 miles was ever adopted because of the range of cannon. I think one marine league happened to be a figure of convenience. At the time it was suggested I doubt very much if there was a single cannon which fired that far. Nevertheless, this theory did gain acceptance. We are indebted to a distinguished Dutch jurist, Cornelius van Bynkershoek, for his classic definition of this principle of gun range in his declaration

in 1703 that "the jurisdiction of a coastal state should extend seaward as far as the effective range of land-based weapons." If we were, in fact, to follow that principle today what use would a few miles be. In days of guided missiles, jet aircraft and other long range land-based weapons it would be necessary to extend the coastal sea for thousands of miles. In fact, there would be no free sea left for anybody. Another interesting reference has been made to this subject in the discussions here. There has been some suggestion that powerful nations are making this claim for their own selfish purposes. I must say that I fail to see the slightest sign of any evidence to support such a claim. No person who has read history will argue that in days gone by great naval powers did not seek to assert very broad claims based upon that power. However, the new principle under which we have lived for 300 years was settled in the 17th century following the argument based upon the contending claims of Seldon and Grotius who had written their classic works "Mare Clausum" and "Mare Liberum." It was the doctrine of Mare Liberum which prevailed. Over the long years since that decisive turning point in history the tendency has been to extend the freedom of the seas more and more. The extension of full freedom of the high seas to within 3 miles of a coastal state has been the ultimate development of that principle. What a tragedy it would be if we now turned backwards after that steady march of progress.

Now I come to the suggestion that every state should be free by its own declaration to determine that the territorial sea adjacent to its coast may be anywhere from 3 to 12 miles. Nothing is said about the distinction between a contiguous zone covering fishing and other important matters of that kind and the measurement of the territorial sea which carries with it entirely different consequences. I hope that every delegate here, and particularly the delegates from states with limited coastlines and perhaps no coastlines at all, whose main interest would seem to be to assure the widest possible freedom of the sea, will consider carefully the distinction between full control over fishing in a contiguous zone, and also the other important rights which can be embraced in such a clearly defined zone, without at the same time placing the territorial sea upon the same basis and making it subject to some variable rule such as has been suggested. However sincere the purpose may be, however convincing the arguments may have seemed, I do urge the most careful consideration of what the adoption of this proposal would mean. The acceptance by this conference of the doctrine that any state may at any time according to its own passing whim establish a zone for any purpose of 3 to 12 miles from the baseline along its coast would result in nothing short of legalized anarchy. It would not be law. It would be chaos. We came here to make law, not to destroy it. Let no one underestimate the seriousness of the situation if such casual juggling of territorial boundaries were cloaked with the sanctity of international law. Unfortunately past experience has demonstrated only too clearly that uncertainty of that kind is not conducive to peace.

If only we examine the facts carefully, I believe we will all find that we are not very far apart and that we can agree upon a generally acceptable law of the sea. It is my earnest hope that after careful consideration the great majority of the delegates at this conference will reach agreement in regard to exact figures for the measurement of the contiguous zone and territorial sea. With profound respect for the opinions of representatives of countries much more populous than our own and not forgetting our comparative youth as a nation, we still do hope you may find merit in our proposal that there be a 12-mile contiguous zone in which there is complete national control over fishing and freedom of the seas up to 3 miles from the accepted baselines.

In closing may I once again refer to the great opportunity and the stirring challenge with which we are confronted. Whatever our religious faith may be I am sure each one of us will echo the words of promise that David sang for the comfort of all men. "He maketh wars to cease unto the end of the earth." Surely that is the hope of the people of every country now meeting here in this lovely city of peace. By agreement within the particular sphere of activities in which we all have a common interest, we may well help create a new and refreshing atmosphere that will dispel the clouds of cynicism which have darkened our path and give to all of us a spirit of understanding and good will upon which alone can be built that just and lasting peace which is the fervent hope of all mankind.

GOVERNMENT



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/10 NEW STATEMENT ON TERRITORIAL SEA AND CONTIGUOUS ZONE

(Text of a statement prepared for delivery by The Hon. George A. Drew, P.C., Q.C., Chairman of the Canadian Delegation to the International Conference of the Law of the Sea, in committee March 31, 1958 at Geneva, Switzerland. (See also S & S 58/9))

Mr. Chairman, we now come to the discussion of the articles which undoubtedly present the greatest difficulty. What has taken place already, or rather what has not taken place, serves to demonstrate that in seeking agreement upon a codification of the Law of the Sea, we have indeed undertaken an extremely formidable task. It may well be, however, that what we have learned during these extended discussions may assist us greatly in finding common ground for a solution of the difficult questions with which we are now confronted.

In putting forward the Canadian proposal, we do so with no claim that we have discovered any magic formula, but only in the hope that it may offer the possibility of agreement between the widely differing points of view which have already been expressed. May I explain why we attach so much importance to success at this conference, and particularly to agreement in regard to the articles now under consideration. During the thousands of private discussions which have taken place, many illuminating opinions have been expressed. I recall one comment which suggested to me how necessary it is that we recognize very clearly what the alternative to agreement would be. This was the remark to which I refer: "Why would it be such a disaster if we failed to reach agreement at this time? After all, nothing very disastrous followed the failure of the 1930 conference at The Hague". I doubt if this statement represents any substantial measure of opinion at this conference. I am confident it does not. It did suggest, however, that we should keep very clearly in our minds how great the difference is between the two conferences. In the first place, there is the difference in the size of the two conferences. At The Hague in 1930, there were 42 delegations. There are 87 delegations now meeting here in Geneva. Many of the new delegations are those from countries which have come to nationhood since 1930. Some of them are sharing for the first time the processes by which the representatives of nations, embracing the

greater part of humanity, do seek to solve their common problems, Surely it need not be argued that particularly for them, and certainly for all of us, there would be immense value in a positive demonstration that so many different nations can work successfully together for their mutual benefit.

The situation today is very different to that of 1930 in many ways. We are all well aware of the rapidly increasing demands for wider zones of control over the living resources of the sea. In recent years claims have been made far beyond three, six, or twelve mile limits. In 1953 we recall that three states extended their territorial claims up to 200 miles for the purpose of exploiting the living resources of the sea adjacent to their coasts. I merely mention these facts for the purpose of drawing attention to a trend which cannot be ignored. I submit that there is plenty of evidence that many states are only postponing action until they see whether there will be agreement at this conference. If there is no agreement on the breadth of the territorial sea and contiguous zone, can there by any doubt that many more countries will soon make their own decisions?

There is no doubt that the establishment of a contiguous fishing zone of twelve miles would result in at least a temporary reduction in the catch of some of the fleets fishing in waters distant from their own home ports. However, we have found that among the nations fishing in Canadian waters the loss in most cases would not be serious, and for one country there would be no loss whatever. To the distinguished delegates of those states which are in this position, may I most respectfully submit that the question is not whether they are going to continue to fish within three miles of the coasts of other nations, but whether they are going to fish outside of a much larger zone established by international law or outside of a zone of any size which may be established by the unilateral action of any coastal state.

It may be said that it would not be legal for a state to take unilateral action which would greatly extend the sea area under its control. But what enforceable law will they be breaking, if we do not agree upon some law here? How will any nation fishing in distant waters prevent the application of the laws and regulations made by the coastal state, if we do not reach agreement? Certainly not by force. The days are gone when action of that kind would be considered seriously. If that assumption is correct, then the simple truth is that whatever the unilateral decision of any state may be, it will be very difficult for any other state to disregard claims that are asserted.

That brings us to another point. States which have already made claims to a wider zone than 12 miles may very naturally say to themselves, "What do we get out of this that can be put before our people as a definite achievement, if in fact we have accepted less than we already claim?". Surely the answer is that we will have all joined in creating a regime of law and that this in itself is of immense value and worth a great deal to all of us.

If the question is asked by a state which has asserted claim to more than a 3-mile territorial limit, "What do we get by going back to 3 miles when we are already well beyond that?", I believe the answer is that instead of uncertainty and increasing chaos, we all take back to our own people a regime of law. Surely not one of us can be in any doubt about the practical value of regime of law. Once that has been achieved, then we will have established a solid foundation upon which to build a constantly improving code of international laws. The first code might not be satisfactory in every detail to any single delegation. It is hardly likely that this would be possible. But let us see what happens in the case of our domestic laws. Once we adopt a law like a highway traffic act, a real estate act, or any similar law affecting the daily lives of our people, the practice is usually adopted of making a periodic re-examination of those laws so that improvements may be made on the basis of actual experience.

If there should be no agreement, another conference will be very difficult to arrange. It has taken 28 years to bring this one together since the collapse of The Hague conference in 1930. Remembering all the many claims which have already been made, and to which new claims are being added day by day, it needs no great stretch of the imagination to realize how soon we would find ourselves in a state of hopeless confusion. If for no other reason and there are many other excellent reasons we should do everything within our power to agree upon a workable code which will establish a regime of settled law.

To the distinguished delegates of those states which might appear to be giving up what they already have for the purpose of reaching agreement may I submit that this would certainly not be the first time the same course has been followed with great advantage for everyone. When the principle of *mare liberum* advocated so successfully by the great Grotius did finally receive general acceptance three hundred years ago many nations not only agreed to freedom of the seas far closer to their shores than had been known for many centuries but some even gave up broad claims they had made to the control of the whole area of some particular seas. The results more than justified the course they followed. It is true that since that time very extensive claims have been made from time to time which bore some resemblance to those made in recent years. For instance in 1821 Russia declared that their sea boundaries would extend to a distance of 100 Italian miles from the Asiatic and American continents. That claim was later adjusted by treaty. Other substantial claims have been made from time to time but until comparatively recent years there has been a steady extension of the principle of the freedom of the seas until the 3-mile territorial limit had been recognized by nations doing about 80 per cent of the maritime traffic of the world.

We have already stated that we see no reason to reverse this trend and we therefore hope that the measurement of the territorial sea will be fixed by agreement at 3 nautical miles. That would be the result of the motion which we have presented for your consideration.

Article 3 is the one article which the International Law Commission did not attempt to draft in a form which could become effective by the approval of this conference. If there is to be a measurement of the territorial sea there must be a substantive motion indicating what the measurement will be. We have placed our proposal in this regard before you in the hope that it will receive the support of a sufficient majority of delegates if and only if changes are also made at the same time in Article 66. We present our proposal in regard to Articles 3 and 66 as part of one motion, because we believe that this is the only way decisions necessary in relation to these two articles can be made satisfactorily. I shall try to explain why we think the two are inseparable.

When the International Law Commission decided that there should be a contiguous zone, it said in the draft article that "it is a zone contiguous to the territorial sea". It also said that the contiguous zone may not extend beyond 12 miles. Obviously it must have been the opinion of the International Law Commission that the territorial sea would be less than 12 miles, or the word "contiguous" would have had no meaning. If one was to be the same as the other, then the zone created by Article 66 simply could not be contiguous to anything. It must have been intended, therefore, that it would be less. We are therefore confronted with the question, "How much less is it to be?". The answer to that question for many states will depend on whether control of the fishing rights is to be exercised only within the territorial sea or to the full width of the contiguous zone. An examination of the reasons given by different states for extending their territorial seas by unilateral action within recent years shows that their action has been related almost entirely to the demand for a wider area of control over the living resources of the sea. It does not seem that in any case there was a suggestion that all the rights which can be exercised within the territorial sea were needed or desired, but rather that it was the means by which they could increase the area of control over fishing in the absence of any other recognized method by which that could be done. The ILC draft does not present such an alternative. Our proposal does offer that alternative.

If the contiguous zone gives the same right of control over fishing within the whole of that zone, and I emphasize only over fishing, then it would seem that there is reason to believe that states which are in fact only concerned with the need for a larger fishing zone would in fact be ready, and perhaps anxious, to agree upon a measurement of 3 miles for the territorial sea. But unless they know whether control of fishing is to be exercised within such a wider contiguous zone, and how wide that zone is going to be, then many of them would naturally be unwilling first to make a decision in regard to the width of the territorial sea.

I have attempted to make it clear why we think that a decision in regard to both articles must be made at the same time under one motion. Now let me explain why we advocate a 12-mile contiguous zone for fishing as well as for the other subjects already included in the draft of Article 66.

First is the fact that in Canada we have had a contiguous zone for fishing of 12 miles ever since 1911. It has applied only to our own fishermen because we have never at any time taken unilateral action which would affect fishermen from other nations. We ask for a 12-mile contiguous zone with the knowledge from our own experience that it will work satisfactorily as long as it becomes part of an international code.

Every nation must of necessity look first to the welfare of its own people. I wish to leave no doubt that the vital interests of hundreds of fishing communities along our east and west coasts and the livelihood of hundreds of thousands of hard-working Canadians are directly affected by, and in a large number of cases entirely dependent upon, fishing.

There is a demand on the part of our fishermen, and the communities in which they live, that they be protected from the unrestricted activity of the new and very large fishing trawlers within an area along the coast which is the natural source of their livelihood. This demand has increased greatly with the advent of the modern mechanized trawlers which are really floating canning factories. Operating in large numbers - and their numbers are increasing all the time - they will scoop up a large part of the living resources on which we have spent a great deal to conserve and protect.

I do not think our views have been better expressed than in the statement presented by Portugal for consideration at The Hague Conference in 1930. It shows that the problem is the same for most coastal states, particularly those with rugged coastlines. Since Portugal has had such a long and friendly association with Canada in its fishing activities, it is not without significance that their statement should so accurately describe our own situation in these words:

"As lands bordering on the coast are often entirely unproductive or yield very little, their inhabitants would starve or would be compelled to emigrate if they could not find the means of subsistence in fishing, which generally gives them a satisfactory return for their labour. These fisheries, however, might soon disappear altogether if the enormously destructive modern fishing appliances were used in these waters without restriction, or if fishermen coming from other parts deprived the coastal population of resources essential for their food supply and their very existence.

"In order to increase the number of fish and to prevent the disappearance of certain species, measures must be adopted over an area sufficiently wide to enable the action taken to prove effective.

"The restrictions imposed on the use of the various fishing appliances and the measures taken to prevent the disappearance of certain species must, however, be constantly and stringently supervised and controlled if they are not to prove entirely useless. This control is very expensive and mainly or almost exclusively affects the state whose interests are bound up with the exploitation of these waters: it can accordingly be maintained and exercised in practice only by a state within a zone under its sovereignty or assigned to its exclusive use.

"For these various reasons, the breadth of territorial waters for purposes of fishing and with a view to giving states exclusive fishing rights should be much more than six miles".

It is obvious from this statement that Portugal related its own claim to a wider area of control directly to the protection of its own fishermen and the living resources of the sea from which they earn their livelihood. I mention this because it is so directly in point in the present discussion. It does not appear that Portugal has stressed other reasons for requiring more than a 3-mile territorial sea so long as the fishing rights they would have within that area could be carried out to a distance of 12 miles.

I hope therefore that they will find that our present proposal is in harmony with their own proposal put forward so clearly in 1930. I would hope also that it would be equally acceptable to other nations in Europe, once it is recognized that, by agreement or otherwise, control of fishing is going to be demanded over a much wider zone than the 3-mile territorial sea which has been so generally accepted throughout Western Europe in the past. May I add, that in the general debate which has dealt so much with this subject, no convincing reason, I submit, has been advanced why the territorial sea should be more than 3 miles, except that it is a simple method of providing a wider area of control over fishing if there is no other effective way of obtaining that result. The creation of a contiguous fishing zone, however, does achieve the result, gives exactly the same rights over fishing as exist within the territorial sea, and at the same time makes it possible to continue the long-established principle of the freedom of the sea to within 3 miles to the coast.

If our proposed amendment is adopted the measurement of the contiguous zone will be definite. We have proposed that because we believe it desirable in this and in other cases that the measurement be exact. Variable distances to be established

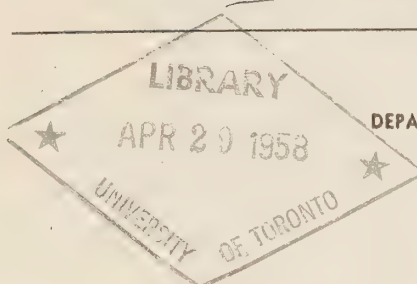
by unilateral action, either in the case of the territorial sea or the contiguous zone, will only lead to uncertainty and confusion. If a nation does not wish to exercise its rights out to the full width of 12 miles, that is of course within its own discretion. If we refer back to the exact form of Article 66, we will recall that it reads: "... the coastal state may exercise the control necessary" ... "to do certain things". However, if we are to establish a code of law, I do submit, with the utmost respect to those who may hold a different opinion, that the best results will be obtained by clearly stated laws. Once a code is adopted by agreement we can then also agree here at this conference upon the time within which there will be regular periodic reviews, at such times as may be agreed upon by the conference, and in that way constantly improve the code once we have established a settled regime of law and built up an expanding jurisprudence on the law of the sea.

One other point I wish to make before I close. It is no longer necessary to stress the increasing importance of air passenger services. The only reason it has been possible to bring together this large number of delegates from such distant points all over the world is that we now have this new means of very fast transportation available. Whether we travel by the airlines of our own country or of some other country, we all benefit by the freedom with which this passenger service can be maintained. As the right to over-fly the territory of other states is not embraced in the principle of innocent passage, any extension of the territorial sea would limit the air routes available in many parts of the world. Freedom of the air and freedom of the sea go hand in hand. It is not enough to say that the territorial sea could be extended, and that agreements could then be made which would permit flying over the extended area. If such agreements are necessary, why extend the territorial sea at all - that is if you achieve the other results you want by a contiguous fishing zone and the other provisions contained in Article 66. Surely it need not be suggested that such agreements may be difficult to complete and even more difficult to enforce.

I thank you for your patience in listening to this lengthy explanation of our proposal. I have simply tried to deal with some of the questions which have been raised since I first explained the proposal that we now formally place before you as one proposal which, we submit, can only be satisfactorily dealt with as one. Whether you agree or disagree with the proposal submitted on behalf of the Government of Canada, I hope you will accept it as a sincere expression of our earnest desire to help in trying to find general agreement upon the form of the two most important articles in the proposed code. I think that if we achieve agreement in regard to these, agreement in regard to any of the other articles which we now face will be much more readily reached.



STATEMENTS AND SPEECHES



INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 58/11

PROSPECTS FOR A SUMMIT MEETING

Statement by the Secretary of State for External Affairs, Mr. Sidney E. Smith, over the CBC Radio Network Sunday, April 20, 1958

As Secretary of State for External Affairs, I daily deal with the broad range of external relations with which Canada is concerned in this complex age. Among these, the need to find some means of working out peaceful solutions for issues which divide the Western world and the Soviet Union is at the present time uppermost in my mind. The prospect of another world conflagration that could let loose modern weapons of horrifying destructive force and risk the extinction of our civilization is not one which any responsible government can contemplate today. The course of both reason and self-interest for East and West alike lies in the search for a durable peace. The pressing need is, therefore, to explore ways in which existing tensions can be reduced and then to lay a firm foundation for mutual understanding on which the ultimate settlement of outstanding differences can be built.

During recent months, there has been much discussion in the press, on radio and on television as to the value of convening a high level conference at which the world's leaders might discuss some of the major problems in a spirit of compromise. This matter has gained prominence through the extensive exchange of correspondence between heads of government on the question of a summit conference. I propose this evening to give you some indication of Canadian thinking on such a meeting.

Canada's general approach to the concept of a summit conference has been developed in concert with our NATO allies. At the conclusion of the meeting of heads of government held in Paris last December, it was stated that "We are always ready to settle international problems by negotiation taking into account the legitimate interests of all... and we seek an end to world tension". In particular, we again stressed our willingness "to examine any proposal, from whatever source, for general or partial disarmament". This is perhaps the key question in any negotiations with the Soviet Union. Canadian representatives shared in many months of negotiations on this issue with the Russians and helped

to prepare a comprehensive set of proposals which unfortunately the Soviet Union rejected in the United Nations.

Against this background, the tentative suggestion for a summit meeting put forward by the Russians in December and expanded in mid-January was and continues to be under consideration. The Prime Minister, in his reply to Mr. Bulganin's letter, emphasized that the value of such a meeting would depend on the expectation of beneficial results, and that accordingly it should be carefully prepared. He told Mr. Bulganin, and I quote -

"I am sure that you will agree that a meeting of this kind which did not lead to positive agreement on at least some of the basic issues with which we are confronted might result in a public reaction more likely to heighten than lessen world tension. In order not to disappoint public opinion in our respective countries, we must, therefore, I submit, make sure that such a meeting be prepared in advance with the utmost care".

Following consultation, the NATO governments placed great emphasis on this need for careful preparations in order to provide a framework for fruitful discussions at the summit. The Soviet Union, however, repeatedly insisted that preliminary talks to determine the nature and scope of the meeting were unnecessary and that such matters could be dealt with at the meeting itself. This Soviet unwillingness to agree to adequate preparation - the pick and shovel work of diplomacy - made it difficult to determine exactly what the U.S.S.R. had in mind. Moreover, the successive waves of letters emanating from Moscow and proposing agenda items in the form of preconceived Soviet solutions did not create the proper kind of climate in which conference preliminaries could be worked out.

In these circumstances, what seemed to be required was a new initiative from NATO that would be both flexible and forthcoming. It was desirable to try to remove the question of a summit meeting from the arena of world propaganda. We in the West considered it necessary to ascertain whether the U.S.S.R. is genuinely prepared to participate in a meeting designed to achieve some definite results. We decided that this would best be achieved by narrowing down through private diplomatic discussions with the Russians the arena in which we might reasonably expect to make headway in eliminating East-West differences.

This important problem was discussed in NATO late last month. On March 31, it was agreed that the United States, United Kingdom and French Ambassadors in Moscow should deliver a Western statement on the summit meeting to the Soviet Union. In this statement, the members of the Alliance referred to the necessity of making "a serious attempt to reach agreement on the main problems affecting the attainment of peace and stability in the world" and pointed to the desirability of a summit meeting

"if it would provide opportunity for conducting serious discussions on major problems and would be an effective means of reaching agreement on significant subjects". At the same time, the statement called for preparatory work on the summit meeting to begin through diplomatic exchanges in Moscow in the second half of April leading to a meeting between foreign ministers. The main purpose of this preparatory work should, it was pointed out, be to examine the major questions at issue and so draw up a suitable agenda.

The Russian reply of April 11 was disappointing in that it still insisted that preparations should be confined largely to procedural arrangements and contended that a summit meeting should be held whether or not preparatory work gave promise of success. Nevertheless, in a spirit of accommodation, the Western powers, with the approval of NATO, decided that the qualified Soviet acceptance of diplomatic discussions should be followed up. They have told the Russians that differences on preparation should be the first subject of the diplomatic talks, and that opposing positions on major issues must be examined to determine whether possibilities of agreement exist. The results of this examination must be satisfactory before a worthwhile summit meeting can be held. The present talks in Moscow should demonstrate whether the Soviet Union wants an effective conference or is chiefly interested in propaganda gains. And I may add in this regard that the recent Soviet accusations against the United States are hardly encouraging.

In the event that agreement can subsequently be reached on satisfactory preparatory work, the selection of the agenda will still not be an easy task. A number of items, most of them dealing with various aspects of disarmament, have already been suggested in the correspondence between the leaders of the Soviet Union and the West. The gap between the proposals made by either side is considerable and unfortunately there has been a tendency, as I mentioned earlier, for some of the agenda items to be submitted in the form of prejudged proposals. If we are to approach the summit with an open mind and a desire to reach agreement, we will have to settle on objectively formulated topics. I believe that agreement on this delicate question will be facilitated if the diplomatic negotiations consider the agenda in somewhat more general terms. Such broad subjects as disarmament or European security could surely first be accepted, and then the range of sub-topics under these headings, which both sides could agree to discuss, could be explored.

I conclude with a word of caution. A summit meeting will not, I feel sure, produce any magic solution for all the problems that beset our troubled world, but I believe that a start can be made in decreasing tension and settling some problems or at the very minimum in setting up the machinery for this active and positive consideration. You will recall that on the initiative of the West we had one of these summit meetings in 1955 when the

leaders of the United States, United Kingdom, France and the Soviet Union met in Geneva. Although this meeting did not produce all the concrete results some of us hoped it would, it was by no means entirely barren. We must now continue from where Geneva left off. This may well mean that we should hold a series of meetings at various levels. Indeed, it is my view that we would be well advised not to entertain too great expectations for any single meeting. Rather, we should look into the future and envisage gradual progress through a number of meetings. With advantage we might also provide for the systematic maintenance of consultation between meetings in order that unsolved issues could be kept under continuous review. As the Greek historian Plutarch once wrote, "Perseverance is more prevailing than violence; and many things which cannot be overcome when they are together, yield themselves up when taken little by little".

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/12

THE INTERNATIONAL SITUATION

Excerpt from an Address by Prime Minister
John G. Diefenbaker to The Canadian Press,
Toronto, April 16, 1958

I want now to refer, for a few minutes, to the international situation.

We can put too much importance on intercontinental missiles without realizing at the same time the impact of those intercontinental missives which are today being received from the U.S.S.R. by leaders of the free world.

We have not discharged our responsibilities. We have allowed the U.S.S.R. in recent months and years to achieve an authority over the hearts and souls of men by our failure to meet in an imaginative way the challenge of those "missives" sent by the U.S.S.R. And I know we all say that it is hypocritical for Mr. Khrushchev to quote the opinion of more than 9,200 scientists of 44 nations, to make his appeal to the conscience of humanity, emphasizing the hazards of "fall-out" as a result of the testing of nuclear weapons. But it is no answer to those suggestions to label everything that is advanced by the U.S.S.R. as simple propaganda.

The free world must, while maintaining its strength and unity, meet with imaginative statements this challenge. My hope is that the nations of the free world will announce in the immediate future their desire and willingness to discontinue nuclear tests, except for the application of known explosive techniques to peaceful purposes, provided that there is suitable international supervision.

Dr. Willard Libby, one of the Commissioners of the U.S.A.E.C., stated before a Congressional Committee last month that there were a number of possible peaceful uses of nuclear explosions which should not be overlooked. He cited in particular the possibility, based upon a subterranean explosion staged by the U.S., that nuclear explosions could be used to restore the

pressure in depleted oil fields. Other sources have referred to the earth-moving potential of nuclear explosions on projects similar to the construction of the Panama Canal. Although the practical potentialities of nuclear explosions for such purposes have yet to be assessed, it is apparent that there may be a case for international arrangements to supervise or even to organize nuclear explosions for peaceful purposes. It is considered that such supervisory or organizational functions would not be incompatible with the functions of the International Atomic Energy Agency as defined in its statute and that the Agency might be the appropriate body to take such explosions within its jurisdiction.

When there is a summit meeting, as I hope there will be if the U.S.S.R. through the preliminary diplomatic discussions shows that it intends to advance or to consider bona fide problems, then I would hope that the Secretary-General of the United Nations would be invited to participate as representative of the interests of the United Nations during any discussions on disarmament.

The preliminary diplomatic discussions which the three Western powers have now agreed to initiate by way of diplomatic discussions with the Russians, April 17th, should provide a test of whether or not the Soviet attitude towards a summit meeting is a genuine desire to achieve results, or is largely designed for propaganda advantage. If the discussions indicate a desire on the part of the U.S.S.R. to achieve results, then Canada is prepared and is willing to take any step short of appeasement which would be conducive to a reduction of world tension, or would in any way facilitate East-West negotiations. Canada, being the nearest neighbour of the U.S.A. and U.S.S.R., is prepared to take its full part to facilitate the preparations for an effective summit meeting, or to contribute to the success of the meeting itself. Indeed, Canada would have no objection, in fact would welcome, the holding of that summit meeting here.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
(OTTAWA - CANADA)

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No. 58/13

THE CANADIAN NATIONAL RAILWAYS: BACKGROUND AND ACCOMPLISHMENT

An address by Donald Gordon, C.M.G., Chairman and President, Canadian National Railways, to the Canadian Club and Empire Club of Toronto April 21, 1958.

In today's newspapers it is commonplace to find such headlines as: Flight to Moon to Take Four Days -- Vanguard Can Land Marker on Moon -- Two and a Half Million m.p.h. Flight Possible. Anything seems possible in this age of scientific marvels, but the amazing feature is that the possibility of space travel no longer raises the flicker of an eyebrow. Against the contrast provided by these new entrants into the field of movement there will be some who will feel that railroading has become pretty mundane and "old-fashioned". For example, you hear from time to time that the railway industry is unimaginative, and to quote one critic, "tardy in its efforts, apathetic in its attitudes, and belated in a drive towards extensive technological development". Let me say at once that most of such talk turns out upon analysis to be based either upon fundamental misconceptions or upon wisecracks made by newcomers to the transportation industry who suffer from the delusion that what is new is glamorous and what is glamorous is always better.

My intention in talking to you today, therefore, is on behalf of the railway industry to disavow and deprecate such attitudes, to impress upon you that we are efficient and modern in our outlook, that we are and will continue to be a national asset, a vital and influential force in the economy of Canada.

For this purpose, I felt that it might be well to describe some of the dimensions of the organization known as the Canadian National Railways, to reflect on its history, to examine its fabric, and to record some of its accomplishments.

The Canadian National Railways is the largest railway in North America. Its assets total over \$3 billions. It operates a network of nearly 25,000 miles of first main track, serving all ten Canadian Provinces, and reaching into twelve of

the American States. To this trackage - nearly enough steel to girdle the Earth at the Equator - must be added about 9,700 miles of secondary track, yards, sidings, spurs, to serve industry, making a grand total of close to 35,000 miles. We have more than 5,000 stations, ranging from flag stops to immense and complicated terminals, nearly 7,000 bridges, nearly 3,000 locomotives, 121,000 freight cars of all classifications, 3,600 passenger cars, thousands of units of work equipment, roundhouses, shops to maintain equipment in repair, and so on. Incidentally, when thinking about space travel and its vast distances, it is noteworthy that last year in freight and passenger service, C.N.R. trains chalked up a total of 68,000,000 miles -- and that this is equivalent to approximately two-hundred and seventy trips to the Moon.

Here are a few more figures. In 1957, it employed in excess of 124,000 people, which easily makes it the biggest corporate employer in Canada. Actually only twelve Canadian cities have a population larger than this.

Last year, the Company's total revenues amounted in round figures to \$753 millions. In other words, it took in \$1,430 every minute around the clock. If this were in one dollar bills, it would be faster than you could count it.

The C.N.R.'s expenses run high too. Last year its payroll alone exceeded \$425 millions and if pensions, health and welfare expenses are added to this, it can be said that labour compensation accounted for 63% of the Company's total operating expense.

The C.N.R. is in fact the largest corporate buyer or shopper in Canada. Over the past ten years the Company's purchases have averaged about \$282 millions a year. This means that our Purchasing Department spends at the rate of something in excess of \$500 a minute. Every year we go to the market for something like 300,000 different items, ranging from ballast to bed-linen, from lock nuts to locomotives, from caviar to stewing beef, and from silk stocking to structural steel.

On the other hand, the great bulk of our traffic produces a very small margin of profit. On the average, Canadian National must haul more than a ton of freight for two miles to earn enough gross revenue to buy a common lead-pencil.

So far, I have touched only upon the rail operations. Our basic job, of course, is transportation, moving people and goods from one place to another. But the organization is much more than a railway. It operates hotels, steamships, dockyards, bridges, ferries, communications, road transport, express, warehousing, grain elevators, stockyards, buses, trucks, fruit and produce terminals, and many other allied ventures.

The C.N.R. is organized and operated as a business corporation, with the same kind of management procedures as may be found in any private enterprise undertaking. Nevertheless, it cannot escape from the implications of its history nor the obligations and burdens which had to be assumed in the public interest and because of the manner in which the C.N.R. system came into existence. As a consequence, the contribution of this great organization to the nation cannot be adequately evaluated by reference only to the profit and loss standard.

Let me take you back for a few minutes to the formation of the Canadian National System. It was evolved out of the chaos during and after World War I, when the Government was forced to take over three large railway systems - The Canadian Northern, The Grand Trunk, and The Grand Trunk Pacific - all of which were insolvent, and each of which was composed of many constituent and subsidiary companies. In one form or another, the Government also had on its hands the Canadian Government Railways, including the National Transcontinental and the Inter-Colonial. Thus, in 1923, formal arrangements were made for the operation under one unified system of management of all of these railways and their associated enterprises, meaning for all practical purposes the physical amalgamation of well over three hundred separate incorporations. It should also be recalled that the taking over of these private enterprise railway systems represented at that time no plan in terms of socialism or public ownership. It came about simply because of the imperative need that the railways continue to run and also because a default in their outstanding financial obligations (many guaranteed either by a Province, or Canada, or both) would have been a serious blow to the credit standing of Canada itself in the money markets of the world.

Clearly then, this first stage of this huge undertaking, the period 1923 to 1931, might well be called the "Formative Period". It was a time when the amalgamation was being worked out, and the dynamic personality of Sir Henry Thornton was being felt as he breathed the challenge of a new vision into the organization. It was a period of glamour and high hope. The energy and enthusiasm which were applied to the problems of integration, rehabilitation and growth, created a fresh atmosphere and generated confidence in the minds of the public and employee alike.

This period of expansion, however, came to an end with the 1929 depression and the eventual departure of Sir Henry Thornton. This set the stage for the ushering in of the "Caretaker Period" which commenced in 1931.

The catastrophic effects of the 1929 depression on the C.N.R. can be highlighted with the figures for Operating revenues which fell from roughly \$305 millions in 1928 to \$148 millions in 1953. The number of employees declined from

a high point of 109,000 in 1929 to a low point of 74,000 in 1933. In 1931, the deficit for the year was nearly \$61 millions, and from 1931 to 1938 the average annual deficit was \$52 millions. During that period, controversy raged about the future of the C.N.R. and serious attempts were made to persuade the Governments of the day to abandon the effort and to amalgamate the two trans-continental systems under private enterprise management. There were conflicting views about the type of managerial machinery that should be employed. The mood changed from an emphasis on expansion to one of retrenchment, even to the point of foregoing the necessary maintenance of the property. The demoralizing effects of annual deficits that were widely discussed as being ruinous to the country were observed on every side.

The "Caretaker Period" came to a spectacular and abrupt end with the advent of war in 1939 which caught the railway unprepared, but, because of its call to patriotism, presented an even more stirring challenge to the railway organization than the 1923/1931 period. Here was the supreme test for the railwaymen and their machines and the response of the C.N.R. to the demands of war, and indeed of all railways of Canada, was an all-out effort. Every other interest was subordinated to the overriding needs of wartime transportation of goods, material, and human beings. Unfortunately, with the war came scarcities of material, and despite emergency action to obtain such needs as steel rails, equipment, and motive power, the entire war period was one of improvisation and exhaustion of the property. During the period 1938 to 1945, annual revenue ton miles all but trebled and passenger carryings jumped nearly five-fold. From an annual deficit of \$54 millions in 1938, C.N.R. earnings under the impact of wartime demands jumped to a published surplus of \$35 millions in 1943, and during the period 1941 to 1945 the annual surplus averaged \$22½ millions. This, of course, is but one demonstration of the fact that the C.N.R. as an operating plant needs volume to produce satisfactory results. But even more significant is that these figures showed clearly the influence of wartime shortages and controls on costs, both in respect of labour and materials. For this review, however, the important point to realize is that the exhaustion of war came on top of a long period of caretaking management which meant that the post war period brought imperative demands for rehabilitation.

The fourth stage, commencing with the post war period, was and is, for descriptive purposes, a double-barrelled one, and can be termed the "Rehabilitation and Reorientation Period". Simultaneously, facing management were the compelling needs to quickly restore the property from the ravages of war and to meet the challenge of new competition. With the sudden release of equipment and material that had been absorbed in the war effort, the full impact of the changing technology of transportation began to be apparent. I refer,

of course, to the growth pattern of automobiles, trucks, buses and better highways, airlines, water, pipelines, and seaways. An interesting comparison is that the number of registered motor cars in 1923 was roughly 515,000 and the 1956 figures were in excess of 3,000,000, and I suspect would be close to 3,350,000 in 1957. As for trucks, in 1923 there were 54,000 registered, while in 1956 close to a million registrations were recorded.

The period 1946-1950 saw relatively little accomplished in the rehabilitation of the property to offset the exhaustion of war. Materials were still in short supply and yet there was talk as you will recall of post war depression. In any event, I think it fair to say that it was not until the 1950's that planning and investment expenditures reached a scale commensurate with the problems confronting the System. My own entry into the railway industry was in early 1950 so that what I have to say about this latest and current phase in C.N.R. history is in the nature of a first-hand report. This phase I shall call the "Rehabilitation and Reorientation Period". What, then, has been accomplished?

It is no exaggeration to say that a major rehabilitation of the property has been accomplished in a remarkably short space of time. Indeed, what has been achieved is not simply a restoration, but more, a revolution in motive power, in freight and passenger equipment, in fixed plant and facilities, such as marshalling yards, and in organization and methods. It has been a costly process, but in the judgment of management, both necessary and sound. Since 1950, nearly one billion dollars of capital has been ploughed into the property.

Remember, however, that the Caretaker Period, from 1930 to the advent of war, saw little or no improvement expenditures on the property, and that with war came severe wear and tear and exhaustion of plant and equipment. The cumulative result of all these years of use may be seen in the fact that from 1930 to the end of the war only \$205 million had been invested in the property or, in other words, in 15 years the average capital invested annually was only \$14 millions. In such circumstances, it is scarcely to be wondered at that much of the equipment, both motive power and rolling stock, was obsolete, as were many of the yards in terminal areas; the condition of track left much to be desired, the railway was lagging behind the advance of technology in such fields as signalling, and so forth.

The capital expenditure of one billion dollars since 1950 needs to be put into perspective, particularly so in light of the fact that it does not by any means complete the job. First we should recall that the period in question has been a high cost period and that a technological revolution has added

larger units of machinery to our complement of equipment and has, as well, greatly enlarged the use of labour saving devices. Moreover, because of inflation, a depreciation based on original cost has fallen far short of meeting current replacement costs. That is one of the major reasons for the increase in our fixed charges. However, you may be interested to know that our net capital expenditures expressed as a percentage of the total property investment of the System have during the past ten years averaged only 3.4% annually.

Let me now summarize the highlights of these expenditures with some passing comment on the shape of things still to come.

On dieselization from 1950 to the end of 1957, we had spent approximately \$250 millions on the locomotives and the necessary facilities. Our present estimate of the remaining cost to completely dieselize our operations is roughly \$268 millions, to be spent over the next four or five years.

Remarkable improvements have been achieved in our freight equipment, many of the innovations being products of our own research laboratories. The benefits of technological advance in freight car design and construction are strongly represented today in our inventory, for nearly 40% of our freight equipment is new and has been acquired during the past ten years. The improvements from these two features alone -- the acquisition of the diesels and new types of freight equipment -- have yielded substantial dividends in operating performance and service to the public. Here is a yardstick of the range of the improvement. If we were to carry out 1957 volume of traffic at, say, the 1928 level of efficiency, we would have needed no fewer than 1,100 more locomotives and 80,000 more freight cars, and an increase in man-hours which would have added a staggering \$280 millions to our recorded expense. Not only do we carry more traffic with less equipment, but we carry it at faster speeds over the road and with greater convenience to shippers in terms of pick-up and delivery.

I have told you that our passenger equipment was obsolete. In looking over the record, I find that in 1930 some twenty-nine pieces of passenger equipment were purchased, another five in 1931, and then there was a gap with none purchased until 1938. The order at that time was sixteen passenger cars and, of course, through the war period there were practically no deliveries. In 1946, some new first class coaches and roomette cars were placed into operation. In 1952, however, we faced up to the fact that as a minimum, replacement of obsolete and out-moded equipment had to be undertaken on our main passenger trains and for this purpose we took the decision to buy 389 new units at a cost of some \$67 millions.

Concurrently with the acquisition of motive power and equipment, there of course had to proceed the restoration of the roadbed and the track structure to the standard of a first class railway. In the period 1950 to the end of 1957, we have installed 5,591 miles of new rail. This represents about 23% of our first main track mileage. The total cost of such installation has amounted to some \$167 millions.

There has also been a marked increase in the efficiency of our signalling and yard facilities, through an expenditure totalling \$50 millions. In signalling the C.N.R. can fairly claim to be one of the first users of Centralized Traffic Control, (or C.T.C. as it is known) a modern system which makes it possible to handle the heavier volumes of traffic more economically, faster, and with an added margin of safety compared with conventional methods. It is nevertheless true that while plans are well advanced, actual installation has been slower than I like to see because of a scarcity of the highly technical skills required.

Our terminal problems have been enormously complicated by the explosive growth of industrial development that has characterized the post war period. In almost every large city there are extreme problems of congestion and delays which simply cannot be tolerated by present day standards. Electronic hump yards are costly but essential and we have \$71 millions committed already in Moncton, Montreal and Winnipeg. The situation at Toronto remains unsettled and is currently the subject of an intensive study. The forthright co-operation of all planning authorities is being invited in an effort to reach sensible solutions. We already know, however, that it will be very very costly to cure the built-in congestion in this area.

Even in the field of our bookkeeping, accounting, and statistical records, a large scale revolution in methods and procedures is taking place with the development of the electronic data processing devices which are becoming another "must" in modern railroading. One part of our program involves the operation of a computer centre in Montreal. At present this centre is producing pay cheques twice a month for the 70,000 Canadian National employees located between the Atlantic Coast and the Lakehead. The computer performs the complicated calculations involved in railway pay and produces printed payrolls and pay cheques for fifteen-hundred men per hour.

During the next two or three years, we expect to derive advantages from the application of integrated data processing to a wide variety of railway activities. For example, we own approximately 121,000 freight cars which cost some \$620 millions. These cars move two and a half million times each month and the problem of recording these movements and of

digesting and extracting the information we need to speed the movements, increase the utilization, reduce our terminal costs and improve our service can be tackled by computer processing far more effectively than by manual methods.

The Canadian National is not neglecting its important, indeed dominant, role in opening up and developing the resources of the nation. From 1950 to the end of 1957, we have constructed 465 miles of new branch lines mainly for mining development and have, either underway or committed, another 171 miles. We have spent or committed some \$90 millions on such construction and the interested private enterprise corporations have spent, committed, or announced intentions of \$1.2 billions in capital investments in the areas concerned. This is surely a spectacular demonstration of the vital part that railways play in the development of our country.

Railway research works increasingly to tailor our product to the demands of modern day business. The handling of perishable foodstuffs is constantly under survey so as to meet and anticipate developments in this important field. Such innovations as piggy-back operations have been introduced. These began in 1952 between Montreal and Toronto and with the extension last fall of the piggy-back services to commercial truckers developments have been further accelerated.

Now with the record of accomplishment I have set before you in regard to the physical structure of the railway and the improvements made in service, you might expect to hear that these efforts have produced an equal measure of success in our financial results. Our financial story, however, is such a complex one that it requires extensive analysis to bring out all the factors necessary for a complete understanding of it. Time does not permit that sort of detail for this talk so I set it aside for another occasion. This much can be said, however, that the physical rehabilitation of both plant and equipment, which has taken place and is still in progress, is a necessary prelude to successful financial operations. Even more important, the collateral actions which these expenditures require in order to ensure the full benefit of them must be undertaken systematically and logically. To the extent that this fails of realization, the net result will be waste rather than savings or earnings, duplication and redundancy rather than streamlining and efficiency. The hard realities of an increasingly competitive world will have to be faced, for many of the practices pertaining to the railway industry are overdue for change. I include in this such things as the method of rate-making, labour negotiations, community and regional pressures and the various actions of regulatory authorities.

The transitional period which we are now undergoing tends to obscure the real accomplishments of railway management and the immediate current circumstances add to the distortion. So it is that in 1957, the C.N.R. fell short by 29.6 million dollars of meeting its fixed interest charges, and with traffic in 1958 showing a steady decline, we are for this reason alone faced with very serious deficit possibilities for the current year. Add to that the consideration that the non operating unions and the Running Trades have placed demands on us that would, if granted, add to our expenses some \$102 millions on an annual basis and you will see why I am not prepared to give any abbreviated judgment on our financial circumstances.

Be all this as it may, I say with all sincerity that we have a loyal and energetic organization. I say further with a sense of pride that the Canadian National System is one of Canada's greatest assets. Despite the aura of conflict that surrounds a period of re-negotiation of contracts, the devotion to duty of our employees and their contribution, not only as railroaders but as citizens, has been one of a few unchanging facts in a rapidly changing world.

Looking back over the history of the Railway I think it is fair to say that the organization itself has undergone almost a complete reconstruction and change of direction. There have been difficult times in the past and there will be difficult times in the future, but I hope that from this brief interpretation and reflection on the history of the C.N.R. that the moral will be clear and I venture to state it in this fashion: Let us not lose faith in the institutions which have stood the test of time; institutions which have demonstrated their ability to serve as instruments of economic integration and economic development with such outstanding success that it has been possible for a strong, vigorous, and growing nation to emerge from the reaches of half a continent.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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No. 58/14

CANADIAN STATEMENT AT CONFERENCE OF THE LAW OF THE SEA

By George A. Drew, P.C., Q.C., Chairman of the Canadian Delegation to the International Conference of the Law of the Sea, on April 18, 1958 at Geneva, Switzerland.

Mr. Chairman and distinguished delegates, these past few days have seen sudden and profound changes in the questions which must be answered if we are to reach agreement in regard to the measurement of the territorial sea and the subjects directly related to them.

First, however, may I say how deeply moved I was by the words of the distinguished delegates from India and Mexico. I shall speak later of the proposal in which we joined, but, without regard to the content or the purpose of that proposal, may I say how much I do agree to the desirability here and elsewhere of reaching a wide basis of agreement, this not only in the drafting of conventions but in the affairs of our lives and in increasing understanding within the sphere of the mutual problems that in some measure we all share. I shall not forget the words that were used here in regard to the way in which we have been associated on this occasion expressing by that very association even for so brief a time in a formal way a broad measure of association. This suggests the wide possibilities of increasing human understanding as a result of meetings of this kind.

When the distinguished delegate of the United States presented a new proposal on behalf of his country three days ago and declared their support for what is clearly a 6-mile territorial sea, then I think it is not going too far to say the ancient doctrine of the 3-mile limit no longer was left with a feather to fly with. From the moment the new proposal of the United States was placed before this committee, we were firmly convinced and still are that neither that proposal nor any other proposal then before the committee offered the possibility of general agreement in regard to the articles now under-discussion. Time was running short. Voting was due to

commence shortly on these articles. One of the major problems to be overcome in reaching agreement upon the measurement of the territorial sea was presented by the fact that several countries had fixed their territorial sea at more than 6 miles a very long time ago. As an example, Mexico had fixed its territorial sea at 9 miles 110 years ago. That measurement has assumed for the people of Mexico deep historic significance throughout the intervening years for reasons which I need not now discuss. In varying degrees, similar considerations affected the small but important group of nations which had also fixed the limit of their territorial sea at more than 6 miles. This problem was mentioned in the speech of the distinguished delegate of the United States. No solution however was offered which could have been readily acceptable to those nations.

In an earnest effort to find that broad common ground of agreement which will be necessary to obtain the support of this committee and the conference as a whole for any proposal, India and Mexico joined Canada in presenting a revision of our original proposal which could have recognized the reality of some existing territorial seas wider than 6 miles and at the same time would have frozen the position of all other countries so that until there could be a general revision of the regime of law upon which we hope we may agree, no nation which had not already done so would go beyond 6 miles and no matter what measurement they had adopted none would seek recognition of more than 12. We sought to find a solution which would recognize that reality without departing from the principle which we had supported of reaching general agreement upon a limit of the territorial sea which would be satisfactory for all purposes. There was no suggestion on our part of any support for an elastic rule under which states would in the future be entitled to adopt any width they might happen to choose for their own territorial sea. I have already explained why I think this could only lead to chaos. There are many obvious reasons why there should be as great uniformity as possible if complete uniformity cannot be attained for the purpose of removing any uncertainty as to routes over which aircraft may fly and generally in relation to the freedom of the seas. I have discussed this subject in some detail on other occasions and I am sure I need not repeat the arguments I made on an earlier occasion for a recognition of the importance to everyone of us of freedom of the air. Whatever nation operates the airlines, the service given in this way is of equal value to all. The size of this is in itself a demonstration of what this new form of transportation means in terms of international contact. Try for a moment to visualize what the probabilities would be of bringing these delegations together and the answer is given of the importance of this new service to all of us. The growth of this new service is best exemplified by the fact that this year for the first time more passengers will be carried across the Atlantic by air than by ship and yet we still only are in the early stages of this great transportation development.

If we nations can attain what we desire by an extension of a fishing zone to 12 miles without limiting the area of free flight or free passage any more than is necessary, we are following the road of progress not the reverse. We indicated our support for the retention of the 3-mile limit for these and other reasons at a time when the major maritime powers still insisted that this was the only satisfactory measurement which could assure freedom of transportation, freedom of the air and freedom of the seas. Now that there are such obvious reasons for adopting the 6-mile limit, if there is to be any measure of uniformity then I do hope that all the distinguished delegates here will consider the value to all of us of retaining the positive advantages of such uniformity and the retention of as great an area of free passage as possible.

I have been struck by a suggestion made on more than one occasion that there may have been an effort by the great powers to retain certain traditions. Canada is neither an ancient nation nor by any stretch of the imagination is it a nation which conceivably could have any aggressive intentions of any kind. Practical considerations of population alone make that impossible. The proposal we have discussed is of course subject to the provision of another method by which extension of control over fishing can be achieved. We are still convinced that this was the primary purpose of almost every extension of the territorial sea. That was the only way wider control over fishing could be established. Once that factor is recognized as the reason for such an extension, then the need of a wider territorial sea disappears so long as there are clearly established exclusive fishing rights in a 12-mile fishing zone. I think if we respect the general recommendations of the International Law Commission we must start with the assumption that the 12-mile zone is the limit to which we can reasonably go.

I have not attempted to deal with the question of defence or security. I have already pointed out on an earlier occasion that I believe the width of the territorial sea now has little to do with the subject of defence. In the days of carrier task forces, long range bomber squadrons, submarines firing guided missiles and long range nuclear weapons.

Now may I return to the proposal introduced the day before yesterday. Although we had been given reason to believe that this proposal would be generally satisfactory to those nations which face this particular problem, we now find that some of those nations which would have benefitted from this proposal and others which had not previously indicated any such intention are now seeking more than they would have retained in this way. For that reason, Canada, India and Mexico no longer stand as co-sponsors of this proposal. The subject has been discussed eloquently and with warmth and understanding by the distinguished representatives of India and Mexico.

Canada now returns to its original proposal which has been commonly known as "The Canadian Proposal" since it was presented to the United Nations in 1956. It is no new concept, it is no strange concept. It has been modified only to the extent made necessary by the inescapable fact that the minimum uniform measurement of the territorial sea which is possible since the proposal of the United States was presented appears to be 6 miles.

Our new proposal is exactly the same in principle in every way as our original proposal first placed before the General Assembly then submitted to the Secretary-General of the United Nations and then presented here on March 17. We have made it clear that our main concern is to establish a 12-mile fishing zone for the protection of coastal fisheries. The creation of such a zone was in fact a new concept not embraced in the original recommendations of the International Law Commission. It did and does provide a method by which those nations who wish a wider zone to protect their fishing can do so without the necessity of expanding their territorial sea. It seemed obvious, when we first brought this proposal forward, from the statements which had been made both within their own countries and at the United Nations, that most states which had extended their territorial sea in recent years had done so primarily for the purpose of acquiring that wider area of control over fishing.

We recognize that unless those nations which were determined to extend the area of exclusive fishing rights knew that there was going to be such a fishing zone, they could not then agree here at this conference to a narrower territorial sea although it was only for the purpose of protecting their fisheries that they wished in the first place to extend the distance over which they had exclusive control. We confine our proposal to the measurement of a territorial sea which now seems generally acceptable to the nations operating more than 80 per cent of the world's commercial shipping tonnage, and with that the creation of a 12-mile zone in which there will be exclusive control of fishing which has been demanded now for so many years by nations whose fishing resources are being threatened by the rapid expansion in number and size of fishing vessels of an entirely new type. We do agree with the form in which the United States proposal has been presented and, although our new proposal asserts exactly the same principles as our first proposal, our new proposal is now drafted in a way which states these principles entirely within the confines of article 3.

Our proposal reads as follows:

"1. A state is entitled to fix the breadth of its territorial sea up to a limit of six nautical miles measured from the baseline which may be applicable in conformity with Articles 4 and 5,

"2. A state has a fishing zone contiguous to its territorial sea extending to a limit twelve nautical miles from the baseline from which the breadth of its territorial sea is measured in which it has the same rights in respect of fishing and the exploitation of the living resources of the sea as it has in its territorial sea."

There has been no change of front by Canada. Ever since 1911, we have claimed that there should be a fishing zone of 12 miles and since that time there has been a law in our country which has kept our own trawlers outside that zone. We have been waiting for long years patiently, perhaps too patiently, for a general solution to this problem which would protect the vital fishing interests of the long coast-lines on three oceans. We have no special interest in the measurement of the territorial sea as such, except for the reasons I have mentioned and the desirability of obtaining uniformity. Let me make that abundantly clear. We incorporated a proposal for a 3-mile limit only for the reason that we sought general agreement. We accepted the measurement upon which there had been such firm insistence by the major maritime powers. We still believe that if there is to be a workable regime of law, the measurement of the territorial sea must be that distance from the baseline which is acceptable to those nations which operate the overwhelming majority of the shipping tonnage of the world. It is consistent with that principle that we have now changed our original proposal for a 3-mile limit to a measurement of up to 6 miles, and that is the only change.

There would indeed have been a decisive change of front by Canada if we were to accept the completely new proposition put forward by the United States which would make the rights of a coastal state in the 12-mile fishing zone subject to the proviso" that such rights shall be subject to the right of the vessels of any state whose vessels have fished regularly in that portion of the zone having a continuous baseline and located in the same major body of water for the period of five years immediately preceding the signature of this convention to fish in the outer six miles of that zone under obligation to observe therein such conservation regulations as are consistent with the rules on fisheries adopted by this conference and other rules of international law". Let us see what that would mean. That reservation would completely neutralize the meaning, purpose and effect of the creation of a 12-mile fishing zone for more of the countries concerned with this extended protection for fishing interests. Until their

new proposal was distributed on April 13, which has in turn been revised in the form available to us this morning, the United States had supported our proposal, exactly the same in principle as that we now place before you. No such reservation in regard to fishing, as that I have just quoted, had been included and we made it very clear why it was not included and cannot be included. I regret very much that the United States has deemed it advisable to change their position. However, I naturally respect without any reservation the sincerity with which their changed position has been explained. It would indeed be a very sorry day for this conference, or any other conference, if disagreement in detail or in principle were to be interpreted as a challenge to the sincerity and good faith of any honourable delegate who expresses the opinions which he has been directed to express by his own government.

I do ask the distinguished delegates from every one of the 86 nations represented here, including the United States, to consider carefully what this reservation in the United States proposal does actually mean in practice. It would appear to me to mean that if any state has had a few small fishing vessels - it might perhaps be only two or three as there is nothing to indicate the number - fishing regularly within 12-mile from the baseline, that right would be extended in perpetuity in an area between the territorial sea and the outer edge of the fishing zone. It would enable a state to send any number of vessels no matter how large or what the size of their crew not only to a particular area but presumably to any area of water along the same continuous coastline. I am afraid that explicit statement in the proposal of the United States opens wide possibilities which, I hope, every distinguished delegate here will carefully consider. It would seem to be to mean for instance that if a few ships have been fishing in a particular area off the southern part of the coast of British Columbia, they will then have the right to fish between the 6- and 12-mile limit for the whole length of the coast of British Columbia. The same thing would apply along the eastern coast of Canada. That is how it would appear to me. Indeed I suggest that is what it does mean. The distinguished delegate of the United States made it clear that if the fishing vessels of a state had been fishing in the waters of another state for a period of five years, this would establish a right for that state to send any number of its nationals in any number of vessels of any size no matter what the size or character of the catch might be. Any coastal state which accepted the present United States proposal would be signing away its rights for all time to protect its own fishermen in a contiguous zone, if even a few small vessels of some other state had been fishing within their waters for the short period of five years continuously. I hope the full effect of this proposal will be recognized not only by those states with fishing areas but by all states who are seeking a basis of agreement which will be just and equitable for every nation represented here.

It should be unnecessary for me to repeat that with our long and close association it is not only natural but instinctive for us to give the utmost consideration to the legitimate needs and aspirations of our friends in the United Kingdom and the United States. The distinguished delegate from the United Kingdom has emphasized the importance of fishing to the people of the United Kingdom. In many ways and over many years, Canada has given ample proof of our desire to co-operate with the United Kingdom. We have reasons of long friendship and close association for co-operating in every reasonable way that is possible with the United States. But we also have our own interest and so has every other state. I do submit that the first interest in the fishing waters adjacent to any state should be the legitimate and reasonable interests of the people of that state itself wherever it may be in the whole world.

I do think that one of the things which has not been emphasized sufficiently is that the enormous new fishing trawlers now being built in many great shipyards of all different nations throughout the world in such very large numbers are not only a threat to the fishing interests of the people living along the fishing coasts of different states but they also make it possible for other nations which find it necessary to fish in distant waters to fish farther out from the shore than they have ever done in the past. In fact, we have one very clear example of that at present. One of the nations which has been fishing for the longest time in our eastern waters and which has equipped its fishing fleet with very modern trawlers has recently given its trawler captains instructions not to fish within 20 miles of our coast. This is for the very simple but important reason that with modern equipment they lose a great deal of valuable tackle if they fish too close to a rugged shoreline and moreover that with modern equipment they get better and bigger fish farther out. I would hope that some of the nations which are concerned for the reservation of these rights would recognize that by modernizing their fishing fleets, as I am sure they are bound to do without delay in any event, they will find the whole character of their distant fishing will change in a way which will greatly diminish, if not entirely remove, any unfavourable consequences of the adoption of a 12-mile fishing zone.

The distinguished delegate from the United Kingdom has very properly pointed out the economic and historic importance of fishing to their people. For reasons which I have indicated, I trust that the greatest shipbuilding nation in the world will be able to accommodate itself to these conditions which are inevitable in any event and in that way assure themselves of even greater catches in future than ever before. Every honorable delegate here today knows that off the coasts of Canada there are great fishing areas, some of the greatest fishing areas in the world, which are in no way affected by any limitation such as we propose in regard to a 12-mile fishing zone. May I at the same time as I express this hope also emphasize the fact once again that fishing

is very important to us. In 1956, the United Kingdom caught 1 million and 50,000 tons of fish. Canada caught one million and 77,000 tons. The distinguished delegate from the United Kingdom asked why, if this was the situation, we required a 12-mile fishing zone. Our population is now 17 million, less than one-third that of the United Kingdom. I think it is a fact supported by statistics that, outside of Israel, on a percentage basis Canada is today growing in population more rapidly than any other country in the world. It is reasonable to expect that within 25 years it will be at least 40 million. Probably by the end of the century it will be 70 million. Our fishing requirements will increase proportionately. We must protect our own fisheries and our own fishermen. No matter how great our desire may be to recognize the legitimate need of other nations in every part of the world, we cannot sign away our own birthright.

May I also emphasize another interest we have in this subject. Some remarks which have been made which seem to indicate that Canada enjoys a unique and remarkably favourable position of being able to reap rich harvests from these waters and of having limitless resources for our own fishing fleets as well as fishing fleets of any size from other nations who may choose to come close to our shores. The situation is very different indeed. The survival of some of our most valuable fish has been threatened from time to time. We are spending very substantial sums of money and great effort on the most advanced plans of conservation. Throughout Canada last year we spent 25 million dollars on conservation, to say nothing of the human effort involved. Of that, 13 million dollars went into research which is of value not only to ourselves but to all other nations with which we share the knowledge that we gain in this way. We had never withheld that knowledge from any nation in the world. There are several nations represented here who are well aware of our readiness to disclose the information we possess and to develop plans for conservation elsewhere along lines which have proved so successful in our own country. I mention that only to indicate that this is not in our interest alone. I do most respectfully urge the distinguished delegates of those nations which have limited interest in fishing and those nations which have no coastal areas of their own to recognize that the preservation of the fishing population is of value to all nations and that for us the establishment of an adequate fishing zone is essential for that purpose.

May I point out that in the case of landlocked nations, we have been trying to find a solution to their sharing the common heritage of the sea. Of them and of those states with a limited interest in this subject may I request that they give the interests of coastal states their careful and sympathetic consideration.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
(OTTAWA - CANADA)

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NATO AND NORTH AMERICAN DEFENCE

An address by Mr. George R. Pearkes, V.C., Minister of National Defence, Canada, to the 19th Annual Awards Dinner of the Overseas Press Club of America, Waldorf Astoria Hotel, New York, Tuesday, April 29, 1958.

I am honoured to have the privilege of addressing you tonight not only because I understand that I am the first Canadian to be given this privilege, but also because I realize the important part the members of the Overseas Press Club of America play in creating an informed public opinion.

Last week I returned from Europe where I attended the meeting of the Defence Ministers of the North Atlantic Treaty Organization. Tonight I am going to talk to you about NATO with particular reference to the significant role played in this [alliance by our joint defence of the North American Continent.

The discussions that were held in Paris made it clear that the defence thinking of NATO has not remained static but rather that it has steadily progressed over the years.

In particular, there is the changed concept of the type and formation of forces required, the realization of the necessity of pooling our resources and the growing knowledge that the threat to the member nations of NATO is not confined to the NATO area.

NATO came into being in 1949 as a result of alarm, if not fear, existing amongst the Western Nations following Communist absorption of the countries of Central and Eastern Europe. It became clear that collective security was the only way to ensure continued freedom.

In those early days of the alliance, efforts in the military field were directed towards raising conventional forces that could withstand a Soviet attack until reinforcements would arrive. But the force requirements deemed necessary by the

military proved quite unrealistic in the light of the political and economic capabilities of the countries involved. At the meeting of the NATO Council in Lisbon in 1952 an attempt was made to adjust the minimum requirements for conventional forces to the capabilities of the member nations but, as you know, these force requirements were never achieved.

The increasing cost of new equipment made it apparent that the Lisbon goals were beyond the reach of NATO countries. In 1954, with the prospects of tactical nuclear weapons and increasing German participation, it was thought feasible to reduce the shield forces objectives to a more manageable and attainable size. The realization that in all probability there would be no time in the initial stages for reinforcements pointed to the necessity for highly trained shield forces - ready and in position.

Complementing the shield, we have the sword consisting of the retaliatory forces of your Strategic Air Command augmented by the United Kingdom Bomber Command. At first the United States possessed a great superiority in the power of the sword. Our strategy was for our shield forces to hold off an attack until our retaliatory forces could be brought into effect. However, since then the Soviet Union has developed, with great success, its own nuclear bombs, with the capacity to deliver them, and we now know that the use of such weapons by either side would result in the utmost devastation.

The shield and the sword remain inseparable but we realized in Paris that in view of the consequences resultant upon the use of the sword the effectiveness of our shield forces acquires added importance.

Theoretically, these shield forces could be built up to match the Russians in conventional arms. This, however, would involve a strain on the economy that could lead to a lowering of living standards which in turn might encourage the growth within NATO countries of the very thing we are out of fight - Communism.

Viewed in this light, the Defence Ministers of NATO have agreed, in principle, that our shield force goals should be retained at approximately their present numerical strength but that, in addition, conventional arms require to be augmented with tactical nuclear weapons.

It is imperative that our shield forces be of such strength that they will be able to ascertain whether an attack is merely a probing effort or the advance guard of an all-out onslaught. Without a strong shield the Soviet might try, perhaps employing the forces of one of its satellites, to eat up Europe bit by bit, hoping no one foray is considered important enough to start World War III. Under such circumstances the

West might be tempted to launch prematurely its forces of retaliation.

To ensure the continued strength of the shield it is mandatory that we on this continent contribute forces to that shield. The presence of Canadian and American forces in Europe not only adds to the effectiveness of the shield, but also illustrates to our European partners the importance we attach to the defence of their territories. It is an indication that we do not intend to rely solely upon the nuclear retaliatory capacity of the sword.

To help meet the continuing needs of our allies, we in Canada make what is for us another fairly substantial contribution through our programme of Mutual Aid.

I would like to emphasize that Canada is not a recipient under this programme. On the contrary, we have contributed, since the inception of NATO, assistance in excess of one billion dollars. True, the contribution we have made - and are continuing to make - may not be large when compared to your own extremely generous programme - I believe you call it Mutual Defense Assistance - but we feel that it has been of some significance in the build-up of the strength of the alliance.

The increased complexity and cost of modern weapons makes it more necessary than ever before that duplication of research and production be avoided. Already some progress has been made in the standardization of arms.

At the NATO Defence Ministers' Conference, a resolution was adopted favouring closer collaboration between any group of nations in NATO, such as the Western European Union, in defence research development and production. Much remains to be done but if we are to have an efficient defence within our economic limits, such joint efforts must increase in the days ahead.

As long as NATO remains strong and is resolved to make use of all weapons - both conventional and nuclear - in the face of aggression there would appear little chance of an attack against the NATO area. The success of NATO is indicated not only by Russia's insistence on its disbandment, but also by the fact that she has had to turn elsewhere to try to extend her influence. This was recognized at the NATO meeting in Paris. While the organization is a regional defence alliance, we realize that the threat of aggression, political and economic infiltration or exploitation by the Communists in any part of the world is a threat to all of us. Therefore, other regional defence alliances such as SEATO and the Baghdad Pact play an important military role. And, in the

economic and political fields every effort must continue to be made to prevent any country falling under Russian influence.

I referred earlier to the evolution of defence thinking within NATO. Nowhere is this more apparent than in the present realization that the North American Continent is part of the NATO area and that its defence is of vital importance. There is now common agreement that the protection of the Strategic Air Command and of the vast production facilities both in Canada and the United States is of paramount urgency to NATO.

We, on this continent, long ago realized that there is no such thing as a unilateral defence. This is particularly evident with respect to the possibility of an air attack. In recent years we have jointly constructed an extensive air defence system comprising early warning radar lines backed up by interceptor fighter squadrons.

In Canada, we have accepted the presence of your servicemen at our operational stations and your country has in turn welcomed our personnel from our armed forces for training and other duties.

Minor differences of opinion may arise in our relationship but as long as there is mutual respect of our individual rights, such differences will be overcome. The border between the United States and Canada is undefended but there is a border and we are an independent country, bound it is true by many ties to your country but still capable of individual action and of determining our own policy.

Another step was taken towards increasing the effectiveness of our defence when, last August, a joint statement was issued by your former Secretary of Defense and myself announcing the interim creation of an integrated air defence system, known as NORAD.

I have found that there has been some misunderstanding regarding the function of the North American Air Defence Command.

The joint responsibility of Canada and the United States in the defence of the North American Continent was given further emphasis when studies were initiated in 1955 toward the creation of a more effective air defence system for this region of NATO. These studies later resulted in the recommendation for an integrated operational control of all air defence forces under one joint headquarters. Following the approval of this recommendation in principle by both governments, the integrated headquarters known as NORAD, with a United States Commander and a Canadian Deputy Commander, was formally established at Colorado Springs on August 1 of last year..

This command will be responsible for the development of plans and procedures that would be followed in war and these plans will be immediately implemented in such an emergency. It will also be responsible for the general pattern of training and the supervision of practice exercises in order to ensure the readiness of our forces if hostilities should ever break out. In the event that we are attacked, NORAD will direct the air defence operations in accordance with the plans which have already been accepted for such a contingency.

I would emphasize that the Commander-in-Chief of NORAD reports directly to the United States joint Chiefs-of-Staff and the Canadian Chiefs-of-Staff Committee. All plans must be approved by the Chiefs-of-Staff and where necessary by the governments of both our countries.

This further integration of the air defence of our two countries has raised certain problems, particularly in regard to situations that might lead to a major war.

It is my view that as we are now bound together in the defence of this region of NATO, we must be jointly concerned with any policy which may invoke an attack on us. Therefore, I believe that the acceptance of this joint responsibility of the defence of North America requires the closest continuous exchange of views on all major issues in which there is a risk of force being used against the North American Continent.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS,
(OTTAWA - CANADA)

- 871

No. 58/16

"THE 1960'S IN CANADIAN TELEVISION"

Talk by A.D. Dunton, Chairman, Board of Governors,
Canadian Broadcasting Corporation, at the Annual
Conference of the Association of Canadian
Advertisers Luncheon, Toronto, May 7, 1958.

Six years ago, almost to the day, I came before you at your Convention that year to talk about the future of Canadian television. At that time it didn't have a "present". Canadian television at that moment in fact consisted chiefly of a few brave people jostling each other in some out of the way rooms in Montreal and Toronto, learning how to work cameras and call cuts, and how not to foul up the wires on the floor. They were Canadians starting to learn television by doing it.

Some of you may recall the vision I tried to describe then. It was that of a Canadian television system stretching from coast to coast and linking practically all Canadians; a national service with a basis of Canadian programming, but including programs from elsewhere; a system in which private stations would have a great part together with CBC stations and production centres; a system to which Canadian advertisers would contribute greatly along with the activities of the public agency and the public financial support for it, and the activities of the private television broadcasters to come; a system providing a national service daily reaching the great majority of Canadians.

I admit that in that May of 1952 there were perhaps some grounds for scepticism. I doubt if the vision took very well. Certainly I didn't think so when in that following summer I read memoranda circulating in Canadian advertising quarters about the dim, uncertain prospects of Canadian television. Perhaps some of the members of the ACA and CAAA on committees of those days remember the papers.

I suggest to you that the dreams which some people had and backed in those days have so far come true in an astounding way. Look at what Canada has six years after those first stirrings. A national system made up of 46 regular stations, 8 CBC and 38 private, reaching over 87 per cent of the Canadian population. A national service going out over all these stations to the nation. Two distinct network services, one in English and one in French (the United States with its great population and enormous wealth has only three). Over 70 per cent of all Canadian families owning television sets, and from all accounts using them on an average of nearly 4 hours a day. A microwave system, which this year will link first British Columbia and next Newfoundland, and will then span a greater sector of the globe than any other in the world. An English network service that is nearly 60 per cent produced in Canada, and a French service that is over 75 per cent purely the work of Canadians. According to outside (that is non-CBC) survey figures an average total of 10,500,000 Canadians above the age of four watch national network service some time between 6 p.m. and 12 p.m. every night of the week. (What an advertising medium!)

It is a system into which Canadian advertisers put directly some \$40,000,000 last year, apart from other money they spent in connection with television. In the six years the Canadian public have spent over a \$1,000,000,000 to equip themselves to watch television. The broadcasting side probably accounts for some \$75,000,000 of economic activity a year. To meet the demands of this public, in spite of the considerable amount of imported material, the main production centres in Toronto and Montreal have had to develop until they rank among the biggest in the world; on this continent, for instance, each come after only New York and Hollywood. And Montreal is the biggest and most active French language production centre in the world.

The achievements of the system in its short and hectic life have been made possible not by any one element but by the joint efforts of three elements: the public agency, the CBC; the private stations; and you advertisers. Its unique integration, insofar as I know, exists in no other field in Canada outside broadcasting, and nowhere in the world in broadcasting to anything like the same extent.

Since 1952 to the present, for instance, the CBC has had to increase its regular staff from 1,200 to 6,300. Probably all of you have experienced some of the pains associated with an organization which has to grow quickly. But I cannot think of any large organization in Canada, apart from the war time, that has had to build itself up so rapidly. In terms of the man and woman hours of work it now appears to rank among one of the biggest 50 corporations in Canada. If it were compared with manufacturing

companies, it would seem to be in the top 15. The total staff seems to be within a thousand of both NBC and CBS. The staff figure together with the total annual expenditure figures of the Corporation may seem large to some people, especially when they think of the fame and grandeur of the operations of the big American networks. But some people forget that with its staff the CBC has to provide two network television services - its big American brothers only one each. The CBC provides $2\frac{1}{2}$ national radio network services; its private counterpart in the States only one each. As you well know the tastes and demands of Canadians in broadcasting are not too easily satisfied.

At this six year point I certainly do not claim that the CBC organization is perfect. What we can say - something like the sane man who has a mental examination - is that we have a certificate. Our certificate saying the job on the whole has been pretty well done under difficult circumstances, comes from a Royal Commission which for a year sent its investigators searching through the books and organization of the Corporation.

As you know private stations have had a vital role as integral parts in the development of the Canadian system. Those granted licenses have had big opportunities, but they have also taken on big responsibilities. They have shown initiative, enterprise and drive, and they have been truly partners in the system. The co-operation, of course, has worked both ways. The CBC has been able to do its job of getting national service to the people in 40 odd areas of the country through private stations. They on the other hand have been greatly helped by having provision of network service from their start of operations; indeed establishment of a number has probably been made possible only by the national service coming to them from the day they opened. I am afraid many outsiders do not realize the closeness of the practical working co-operation between the public and private elements of the system. Indeed from reading headlines of public statements at times anyone might be well justified in thinking that the two are at each other's throats. But all the time the effective daily integration of operations is going on in the interest of serving Canadian people - and going on pretty happily, with quite a lot of give and take on both sides.

And advertisers have a big part in the system and contribute much money and programs and ideas. We like to think that you get your full money's worth. But I also hope you understand that we sharply appreciate the contribution you make and your stake in the system.

There are, of course, some difficulties in working relationships. Indeed there are probably bound to be some differences of viewpoint when different elements work together in a combined system such as the Canadian one. But I often think the misunderstandings are greater outside broadcasting and advertising circles than inside. Some people for instance have been critical of what they like to label as the "subsidizing" of Canadian programs with which advertisers associate themselves. To us it is nonsense to talk about "subsidization" when sponsors taking up a connection with a Canadian program are usually paying much more in program costs than they would pay for the Canadian rights to an imported program. The situation, of course, arises from the fact, of which we have been told so often by advertisers, that the size of the Canadian market either English or French will simply not justify paying the full cost for Canadian produced programs in addition to all the station and network charges. On top of that is the fact that the rights to expensive and attractive imported programs can usually be had for much less than the cost of a Canadian production.

The CBC has a big responsibility for the production and nation-wide distribution of Canadian programs. If it can get from the sponsor not only station network charges but also a substantial contribution to the cost of one of the programs on the national service then the whole service and the public benefit accordingly. If we tried to stick rigidly to the idea that the sponsor could not put his message with the program unless he paid the full cost of it, obviously the advertising support for the national service would be a fraction of what it is.

There are probably bound to be some rubs and some frustrations on both sides in the relationship between a public agency charged with the responsibility for national service, and advertisers with their legitimate interests and aims. I do not think the CBC handling of these things has been perfect. Nor do I think that advertisers and agencies have been entirely immaculate. We do hope you have found the CBC understanding of your problems increasing; I also think that more and more advertisers are appreciating the problems and responsibilities of a national service in this country. We certainly have great respect for any advertisers who have spent additional money to associate their advertising with Canadian produced programs.

At the Convention six years ago I remember several people asking: "Where is the talent going to come from?", and "Where are you going to get producers?". Our answer then was we didn't know just where they would come from, but that we were confident that the talent and producing abilities were there and would turn up from somewhere, and develop, if the opportunities came from a Canadian broadcasting system.

Well, I suggest to you that that has been proven right. With the growth of the television system has come the development of all kinds of performing and writing and producing ability. There are now in this country probably several thousand people who make their livelihood, or a large part of it, performing or writing for television. Incidentally some interesting figures were taken off the CBC books the other day. They showed that last year the CBC altogether - this is radio and television - paid over \$11,000,000 to some 15,000 different Canadian performers and writers.

Organizations outside Canada are at times quicker than some Canadians to realise the abilities which have shown themselves in this country. For example while six years ago we didn't know just where the producers would come from, in the last year a grave worry of the Corporation was being the loss of producers developed here who have been lured away to television in the United States and Britain. Those who have hired them think these Canadians are not just good, but very good, by any standards in the world.

As you know in spite of technical obstacles the export of Canadian television productions has been coming along nicely in the last year, particularly to Britain, and plays which have drawn comment of the "pretty good for a Canadian show" line, have received warm praise from top critics of London newspapers. Negotiations right now are going well toward the possible carrying of a major drama production live for an American network next year. And if you want an objective criticism of the French language service, ask a visitor from Paris, familiar with what is going on in that country in television.

Just at this point I can almost hear some people at some of the tables thinking: "Dunton was supposed to talk about the future, why is he spending all this time on past and present?" I have done it deliberately. I have reminded you of some of the things that have gone on and are going on because they are of so much significance for the future; and the future must grow out of the present. I am not suggesting that development in the next ten years will go ahead at the same pace as during the last six. It simply couldn't. The joint build-up of television in Canada has probably been the fastest and most intensive in the world. And I think one of the most dramatic happenings in Canadian history. The rate of growth, of course, has to slow down, but the potential future of television in this country is still a good deal bigger than its present.

Let me say right away that it is not for me to try to anticipate any decisions by Government or Parliament, decisions which, of course, can over-ride anything else. I am not, for instance, going to try to guess what body or bodies, responsible to whom or independent from what, are going to have or to share responsibilities in connection with the Canadian broadcasting system. All I can do is to express some guesses, some hopes, based on what Canadian television has accomplished in the last six years, based on the needs and possibilities of Canada ahead. And of course with these guesses and hopes go some "ifs" - some big ones - which I shall come to later.

I had hoped and planned to talk about radio, but after I thought of a few of the things that seemed worth mentioning about television, it seemed plain that there wouldn't be enough after lunch patience left for radio too. I do wish to say very simply and definitely that we in the CBC at least think that radio has a big future and will have an extremely active life in Canada.

I would like to start first with a few fairly specific guesses about television.

First I think, and I hope, that the extent of television coverage will continue to grow. Only about 12 or 13 per cent of the whole Canadian population cannot receive television service now. But they are mostly people to whose lives television would make an enormous difference. A number of the top 10 per cent live in distant and outlying areas that would be extremely difficult to cover; indeed we shall probably never reach 100 per cent, as trickles of population keep moving out further and further. But I think that either through CBC stations or further privately owned stations carrying national service, a large part of the remainder will be covered in the coming few years. I would hope that along with this increased coverage would come an increase in the number of English speaking people who can if they wish look at French language service, or people in dominantly French speaking areas who can see English as well as French service if they wish.

The number of sets will probably increase during the next 10 years from the present 3,000,000 to about 5,000,000.

I don't think a spiritualist's medium is needed to foretell that in the 1960's there will be additional television stations in some areas where there is just one at the moment. What can be hoped in the national interest is that these new stations will contribute to Canadian life by producing or stimulating the production of a reasonably substantial amount of Canadian programs. It would seem good if in the alternate services that will be offered some areas, there will often

be a choice between two Canadian programs; or perhaps between a Canadian and an imported program, but not usually just a selection of imported programs. I hope the probable additional stations will be true parts of a Canadian television system, not mainly importers of programming.

It is a rather obvious prophecy that colour will come to Canadian television during the 1960s. I would still hesitate to call the year or years. Colour does seem definitely on the way although it is taking quite a long time. For some little time now it has been just around the corner, but the corner has seemed to be a tricky one to turn.

The 1960s should see consolidated, efficient production centres for the national service in Montreal and Toronto. The need, as many of you know from personal experience, is desperate. The long run economies and extra efficiencies will be very decided. The economic activity generated by television broadcasting will continue to grow quite considerably. A good guess is that by 1965 it will be about \$150,000,000.

I believe the larger number of television viewers in the coming decade will spend at least as much time of the year as at present watching television. But this will depend on the degree to which television can keep freshness in its programming, add new ideas, generate new interests. I think too the viewing public will become at the same time more selective in its viewing. More and more I believe people will tend to watch for the particular programs they like, and be still more definite than they are at present in their choices.

Some other trends already noticeable should continue. I imagine, for example, that more members of the Canadian public than at present will come to take Canadian productions on their merit, and lose the suspicion in the back of their minds that Canadian work in this kind of field tends to be inferior to others, that anything from across the border is congenitally better. At the same time still more Canadians than now will recognize to a fuller extent the value and abilities of some of their own performers and writers and producers.

Perhaps too with the passage of time more Canadians will come to a better understanding of the complex kind of television system they have, whatever it may be like in the 1960s -- and why they have it.

I think the strides that have been made in programming in the last 5 years can give us confidence for Canadian production in the future. Just think back if you can to shows that were on the air in Canada in the winter

of '52 and '53; or to what was on the air in the United States in '49 and '50. I think the last few years have proven that there exists in Canada lots of talent, known or potential, for performing or writing or creating or producing or expressing ideas. The development in the next 10 years can be great, if the opportunities are there.

One sign I believe will be an increasing export of Canadian programs on film or live. I do not think we have to or should rely on the opinions of others about quality. But international recognition would itself help our talent, and also provide badly needed additional financial support.

All in all we can see a picture of Canadian television in the decade ahead strengthening and intensifying its service to the Canadian people, further stimulating and enriching the lives of individuals, and also further stimulating the economic life of the nation.

But in all this there are some big ifs. Television can and will have a big and worthwhile place in the life of the nation if we as a people continue to remember the realities of our own country in relation to television. That is if we continue to remember that this is an awfully big country, that it costs a great deal of money to distribute the programs equitably to its people, to link its regions together, if we take proper account of the fact that it is a country of two languages and that Canadians of each tongue have a right to an adequate television service each in their form of expression -- and if we remember that a nation can hardly call itself a nation if in a medium like television it does not in large measure speak to itself and listen to its own people, as well as to others from the outside world; -- and if we remember the hard fact that the making of television programs by Canadians for Canadians costs lots of money.

I believe another 'if' is whether we continue to have an integrated system drawing on the strength both of public agency and support; of private station enterprise and assistance; and of advertising contribution and stimulus, - all so essential. I believe that against the challenge presented by Canada each of these elements has to be kept strong in the system, and that the three have to work closely together in a sensible way for the national good.

I think there are challenges ahead for each of the elements in the system. Advertising can have a big part in television. And with that part must go responsibility. Advertisers have a natural and perfectly proper concern with getting their messages across, and with suitable costs per thousand. I think you will agree too that they have a share in the responsibility for how well the whole television system serves the Canadian nation.

So I would urge you in the years ahead not to put on too much pressure coming from straight commercial considerations. Help leave some room and some opportunity, as I am sure most of you will be glad to do, for the trying of new ideas, and for honest attempts (and for thundering mistakes), for programs that will throw the lie in the face of those who try to say that the whole influence of television is deadening and tending to force the minds of people into one mold of conformity. If you at times cannot support some such efforts, do help leave them some elbow room, and do show some confidence, as so many of you have done, in what Canadians can do in programming.

I believe myself that Canadian television will be able to accomplish very big things in the 10 years ahead if private and public broadcasters continue to work together. For pure economic reasons I do not think that private operations alone can produce much significant television work by Canadians for Canadians on a national scale without the help of the public agency and the public funds that support it. Nor can the CBC do its national job of serving all possible Canadians without the private stations, or at least without the expenditure of an enormous additional amount of public money. The public part of the system seems essential because of the economic and geographic facts of Canada. It is needed as a mechanism through which the Canadian public can apply resources toward ensuring a very substantial production of Canadian programs and nationwide distribution of national service.

The public organization needs to be efficient and I believe its efficiency will continue to improve. Apart from that, the extent to which there will be Canadian programming will depend to a very large extent on the amount which the Canadian public decides to devote to this end.

Some say already the national service costs too much. The present rate is about $3\frac{1}{2}$ cents per day per television family. That is roughly the cost of ensuring that if there is a Canadian purpose to the television system, that the system is capable of being actually substantially Canadian and not mean almost entirely bringing the products of others to the minds of Canadians. It is often said these days that Canadians want to determine their own economic future. Surely if we are to be a nation we also want to determine our own mental future. That is at least provide always a fair part of what goes into the minds of Canadians through the television screen every day of the year.

I am sure Canadians will always be interested in and wish to see many things coming from the United States - and other countries. But we seem to want to be a nation of our own, and to express ourselves as such. Television can, and I believe will, be vital in the realization of our destiny as a nation in the years ahead if we as Canadians make it possible for it to do so - if advertisers, private stations, the public and its public agency work together to make it so.

S/A

GOVERNMENT



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

UNIVERSITY OF TORONTO

No. 58/17 CANADIAN STATEMENT ON INTERNATIONAL INSPECTION

Text of a statement made in the Security Council April 29, 1958, by Mr. Charles Ritchie, Canada's Permanent Representative to the United Nations, on the United States proposal for a system of inspection in northern areas.

Slightly more than a week ago...I referred to the world-wide anxiety about the possibility of an outbreak of nuclear warfare...The Canadian Delegation sought to emphasize the grave concern with which peoples everywhere viewed the prospect that through some accidental spark the highly explosive tinder of today's armed preparedness might be fired. Thus each advance in the science of rockets and nuclear energy is looked upon not only as a great step forward into the future but alternatively as a step toward the destruction of mankind, because of the great potential for war involved.

Of course, the fear and anxiety derive not from the scientific developments themselves but from the doubt and suspicion which characterize the relations between the states mainly concerned. This condition of suspicion and fear, this wariness about the intentions of the opposite side, this lack of confidence in international dealings has led the world along the path of armed preparedness.

Moreover, as was amply explained at our last meeting, as long as the nations of the West consider that their security is threatened, they will insist that defence preparations continue and improve in accordance with scientific discovery. I have no doubt that this attitude finds corresponding expression on the Soviet side.

During the past few years, however, there has been some sifting of this problem through international study in the General Assembly, in the Disarmament Commission and its Sub-Committee, and elsewhere. We believe that this process has made it more possible for us to define a principal cause of doubt and anxiety in international relations.

We have seen that a high degree of armed preparedness has emerged as the product of a military appreciation that with the modern weapons at its disposal one side could strike a crippling blow at the other and quickly render the adversary helpless. Clearly this result could most easily be achieved through a surprise attack and those responsible for national defence have devoted much energy and ingenuity to devise means of meeting that threat.

As we and others have frequently emphasized, the removal of that risk does not lie either in unilateral action or in meaningless declarations. If for example the West were to lower its guard, such action, we believe, would increase rather than reduce the risk of nuclear war through mistake or miscalculation. The solution lies in dealing with the causes which have led to armed preparedness and one of the main causes in our view is the danger of surprise attack. It is what produces the gnawing fear that if one side should halt or reduce its defence preparedness the other would strike a death blow.

It is just because we recognize surprise attack as perhaps the most ominous of the dangers facing the world that the Canadian Government welcomes warmly the initiative which the United States has taken in the Council today. In our view the proposal for the prompt establishment of a system of inspection in northern areas, to provide safeguards against the danger of surprise attack, represents a practicable attempt to deal with this most deeply rooted cause of anxiety and tension.

Before I enter further into the substance of the proposal now before us, I should like to call attention to the somewhat novel situation in which the Council finds itself. I think I am right in saying that this is one of the few if not the first occasion on which a member has requested the Council to convene to consider not a complaint, nor the action consequent on a General Assembly resolution, nor the report of a subsidiary organ or of some agent of the UN, but a positive and constructive proposal which is designed to assist the Council in maintaining international peace and security. It is the hope of the Canadian Government that these proceedings will show that the Council can act constructively through the adoption of preventive as well as remedial measures.

The Canadian Government has already expressed its readiness to open the whole of Canada under a general system of inspection. Moreover, the positive Canadian attitude towards measures to provide against surprise attack is one which we have maintained for several years. I might, however, give some precision to Canada's attitude towards partial plans for international inspection. We are prepared to have a part of Canada included in any initial scheme of inspection which would involve a zone containing a North American portion and a Soviet portion of relatively equal importance. My point is that we are not wedded to any specific proposal and the essence of the Canadian position is that the areas of both sides should be of comparable importance, so that the arrangements would be equitable.

We recognize that the establishment of a system of safeguards which included Canadian territory would mean that there might be international teams of observers, equipped with electronic devices and the necessary communications, stationed in Canada with certain rights of inspection and freedom of movement. We further recognize that foreign aircraft for international inspection purposes might be authorized to overfly Canada and that logistic support elements for such aircraft would probably be stationed in Canada. We also recognize that Canada might well be called upon to provide personnel, aircraft and other kinds of support as a contribution to the system. These various obligations are considered acceptable in principle, subject to the negotiation of the details on a equitable basis. In other words, just as Canada has previously endorsed the more general concept of an Arctic Zone of international inspection as part of a wider system, we are prepared to accept such a zone in itself.

We would like to think that the proposal now before us is only a first step, to be followed both by disarmament measures relating to nuclear and conventional weapons and forces and by a further extension of safeguards against surprise attack. It is our hope that co-operation in the development of security in the Arctic can provide a basis for larger agreements relating to disarmament and other questions, which could be examined jointly with the U.S.S.R. Among these other measures which might be discussed, for example, are those which would be necessary to verify compliance with an agreement to suspend nuclear tests.

I must say that the reception given to the United States proposal by the Soviet Representative this morning was depressing indeed. It was more than depressing--in our view the position taken by the Soviet Representative was in some ways incomprehensible. If the Soviet Government is seriously worried about developments in the Arctic, why do they reject a proposal designed to set up inspection in the area? They may estimate that such inspection can serve no useful purpose and cannot diminish insecurity, but how can they know this in advance?

The United States draft resolution calls on the states mentioned "to designate representatives to participate in immediate discussions with a view to agreeing on the technical arrangements required." Surely it is in such discussions that the scope of inspection required and its objectives could be examined. Does the Soviet Government refuse even to discuss these problems and, if I may ask, what harm could it do to the interests of the Soviet Government to participate in such discussions? They would at least have demonstrated their willingness to examine all possibilities of decreasing international tension. We for our part believe that the plan for a northern zone of inspection is practicable and important and

Canada pledges itself to give all support to the proposal. We hope that the Soviet Government will on second thoughts reconsider the negative response which the Soviet Representative has indicated today.

I am aware, Mr. President, that I have not commented on the Soviet draft resolution and the Swedish draft amendment to the United States draft resolution. As I may have occasion to intervene again at a later stage of the debate, I shall reserve my remarks on those proposals for the time being.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/18

N O R A D

- 1 - Extract from a statement by Mr. Sidney E. Smith, Secretary of State for External Affairs, on tabling the Exchange of Notes concerning NORAD, in the House of Commons, May 19, 1958.
- 2 - Texts of Notes exchanged by the two Governments.

Members of the House will recall that on August 1, 1957, the two Governments announced their agreement to the setting up of a system of integrated operational control of the air defence forces of Canada and the United States. An integrated headquarters was formed shortly thereafter and the Command has been operating on an interim basis for about nine months. In the light of intensive studies of the problems of continental air defence by expert authorities in the two countries, and the experience gained in the interim operation of NORAD, the Canadian and United States Governments have in this exchange of notes recorded formally their understanding of the need for integration of their air defence activities and their agreement on the principles, both military and political, on which the organization and operation of NORAD are based.

For the past two decades the co-operation of Canada and the United States in the field of continental defence has grown ever more intimate. Even prior to the formation of NORAD, there was close co-operation between the air defence forces of Canada and the United States arising out of the recognition that the air defence of the two countries had to be thought of as a single problem. Indeed, since 1954 an integrated system of air defence has been envisaged. Recent technological developments made it obvious to the two Governments that co-ordination of national plans was no longer adequate. It is a truism that our generation has witnessed a shrinking of the globe in our ever-increased ability to reduce the time required to go by air from continent to continent. Normally, we think of these developments as being most desirable. We must not, however, forget their implications for the defences which we must construct against the possibility of a surprise nuclear attack. We

must, therefore, have in existence in peacetime an organization which, in the face of surprise attack, could immediately take defensive action over our own territories in accordance with a single air defence plan which had already been approved by the two Governments.

This integration is the practical application of the principle of interdependence which inspires the activities of the NATO alliance. It will contribute to the effectiveness of the air defences of this continent; it will thereby increase the ability of Canada and the United States to meet the strategic objectives established in NATO for the Canada-United States Region. The effectiveness of such integration has been amply demonstrated in other NATO areas where integrated headquarters exercising operational control over assigned forces exist. Canadian forces, in company with the forces of our NATO allies, already come under the operational control of the Supreme Allied Commander in Europe (SACEUR); Canadians serve as well in the wholly integrated headquarters of the Supreme Allied Commander Atlantic (SACLANT) and in wartime Canadian ships and maritime aircraft earmarked for NATO will come under SACLANT's operational control. There are, of course, many other integrated headquarters in the NATO military structure in which Canada is not represented, e.g., Allied Forces Central Europe and Allied Forces Mediterranean.

Our joint defence of the continent cannot, of course, be thought of in isolation. This continental effort forms part of our contribution to NATO defences. The Canada-United States Region is an integral part of the NATO area for which strategic objectives have been established in NATO. The establishment of NORAD will assist our two Governments to meet these strategic objectives more effectively. The arrangements for air defence of Canada and the United States and the allocation of forces to NORAD for that task will be reported to NATO through the Canada-United States Regional Planning Group, which is made up of the Chiefs of Staff of Canada and the United States.

As the agreement tabled today indicates, the Commander-in-Chief NORAD will be responsible to the Chiefs of Staff Committee of Canada and the Joint Chiefs of Staff of the United States, i.e., he will make his recommendations on air defence to them. They in turn will seek the approval of their political authorities for the implementation of such of these recommendations as are acceptable to them from a military point of view. The Commander-in-Chief NORAD will operate within a single air defence plan which will be approved by the two Governments. The appointment of the Commander-in-Chief NORAD and of his deputy will be approved by the two Governments. Detailed terms of reference for the Commander-in-Chief NORAD have also been approved by the two Governments. These terms of reference flow from, and are

therefore consistent with, the principles established in the notes I have tabled today. In the interests of national security, these detailed terms of reference cannot be made public.

Thus the NORAD exchange of notes makes formal provision for civilian control of the activities of the Command in the manner I have outlined. These provisions in a sense underline the obvious. Never, in the long and earnest consideration of this subject by the Canadian and United States Governments, has there been any doubt of the primacy of civilian authority; nor, I am sure, could there have been any real question on the point when preliminary consideration was given to this matter of integration during the lifetime of a previous administration in Canada.

The establishment of integrated defence arrangements between Canada and the United States increases the importance of consultation between the two Governments on all matters affecting joint defence. This continuing process of consultation is not new. Once again, however, in the course of our discussions on the exchange of notes which I have tabled today, both countries recognized that their defence co-operation can be worked out on a mutually satisfactory basis only if such consultation is regularly and consistently undertaken. I can assure the House that the determination exists both in Ottawa and in Washington to ensure that such consultation will take place as required.

I feel certain that the House will agree with me that this further evolution in the essential collaboration of Canada and the United States in continental defence will assist in the maintenance and development of the individual and collective capacity of the two Governments to fulfil their obligations under the Charter of the United Nations and the North Atlantic Treaty for the preservation of international peace and security.

CANADIAN EMBASSY

WASHINGTON, D.C.

NO.263

May 12, 1958.

Sir,

I have the honour to refer to discussions which have taken place between the Canadian and the United States authorities concerning the necessity for integration of operational control of Canadian and United States Air Defences and, in particular, to the study and recommendations of the Canada-United States

Military Study Group. These studies led to the joint announcement of August 1, 1957, by the Minister of National Defence of Canada and the Secretary of Defense of the United States, indicating that our two Governments had agreed to the setting up of a system of integrated operational control for the air defences in the continental United States, Canada and Alaska under an integrated command responsible to the Chiefs of Staff of both countries. Pursuant to the announcement of August 1, 1957, an integrated headquarters known as the North American Air Defence Command (NORAD) has been established on an interim basis at Colorado Springs, Colorado.

For some years prior to the establishment of NORAD, it had been recognized that the air defence of Canada and the United States must be considered as a single problem. However, arrangements which existed between Canada and the United States provided only for the co-ordination of separate Canadian and United States air defence plans, but did not provide for the authoritative control of all air defence weapons which must be employed against an attacker.

The advent of nuclear weapons, the great improvements in the means of effecting their delivery, and the requirements of the air defence control systems demand rapid decisions to keep pace with the speed and tempo of technological developments. To counter the threat and to achieve maximum effectiveness of the air defence system, defensive operations must commence as early as possible and enemy forces must be kept constantly engaged. Arrangements for the co-ordination of national plans requiring consultation between national commanders before implementation had become inadequate in the face of a possible sudden attack, with little or no warning. It was essential, therefore, to have in existence in peacetime an organization, including the weapons, facilities and command structure, which could operate at the outset of hostilities in accordance with a single air defence plan approved in advance by national authorities.

Studies made by representatives of our two Governments led to the conclusion that the problem of the air defence of our two countries could best be met by delegating to an integrated headquarters; the task of exercising operational control over combat units of the national forces made available for the air defence of the two countries. Furthermore, the principle of an integrated headquarters exercising operational control over assigned forces has been well established in various parts of the North Atlantic Treaty area. The Canada-United States region is an integral part of the NATO area. In support of the strategic objectives established in NATO for the Canada-United States region and in accordance with the provisions of the North Atlantic Treaty, our two Governments have, by establishing the North American Air Defence Command, recognized the desirability of integrating headquarters exercising operational control over assigned air defence forces. The agreed integration is intended to assist the two Governments to develop and maintain their individual and collective capacity to resist air attack on their territories in North America in mutual self-defence.

The two Governments consider that the establishment of integrated air defence arrangements of the nature described increases the importance of the fullest possible consultation between the two Governments on all matters affecting the joint defence of North America, and that defence co-operation between them can be worked out on a mutually satisfactory basis only if such consultation is regularly and consistently undertaken.

In view of the foregoing considerations and on the basis of the experience gained in the operation on an interim basis of the North American Air Defence Command, my Government proposes that the following principles should govern the future organization and operations of the North American Air Defence Command.

1) The Commander-in-Chief NORAD (CINCNORAD) will be responsible to the Chiefs of Staff Committee of Canada and the Joint Chiefs of Staff of the United States, who in turn are responsible to their respective Governments. He will operate within a concept of air defence approved by the appropriate authorities of our two Governments, who will bear in mind their objectives in the defence of the Canada-United States region of the NATO area.

2) The North American Air Defence Command will include such combat units and individuals as are specifically allocated to it by the two Governments. The jurisdiction of the Commander-in-Chief, NORAD, over those units and individuals is limited to operational control as hereinafter defined.

3) "Operational Control" is the power to direct, co-ordinate, and control the operational activities of forces assigned, attached or otherwise made available. No permanent changes of station would be made without approval of the higher national authority concerned. Temporary reinforcement from one area to another, including the crossing of the international boundary, to meet operational requirements will be within the authority of commanders having operational control. The basic command organization for the air defence forces of the two countries, including administration, discipline, internal organization and unit training, shall be exercised by national commanders responsible to their national authorities.

4) The appointment of CINCNORAD and his Deputy must be approved by the Canadian and United States Governments. They will not be from the same country, and CINCNORAD staff shall be an integrated joint staff composed of officers of both countries. During the absence of CINCNORAD, command will pass to the Deputy Commander.

5) The North Atlantic Treaty Organization will continue to be kept informed through the Canada-United States Regional Planning Group of arrangements for the air defence of North America.

6) The plans and procedures to be followed by NORAD in wartime shall be formulated and approved in peacetime by appropriate national authorities and shall be capable of rapid implementation in an emergency. Any plans or procedures recommended by NORAD which bear on the responsibilities of civilian departments or agencies of the two Governments shall be referred for decision by the appropriate military authorities to those agencies and departments and may be the subject of inter-governmental co-ordination.

7) Terms of reference for CINCNORAD and his Deputy will be consistent with the foregoing principles. Changes in these terms of reference may be made by agreement between the Canadian Chiefs of Staff Committee and the United States Joint Chiefs of Staff, with approval of higher authority as appropriate, provided that these changes are in consonance with the principles set out in this Note.

8) The question of the financing of expenditures connected with the operation of the integrated headquarters of the North American Air Defence Command will be settled by mutual agreement between appropriate agencies of the two Governments.

9) The North American Air Defence Command shall be maintained in operation for a period of ten years or such shorter period as shall be agreed by both countries in the light of their mutual defence interest, and their objectives under the terms of the North Atlantic Treaty. The terms of this Agreement may be reviewed upon request of either country at any time.

10) The Agreement between parties to the North Atlantic Treaty regarding the status of their forces signed in London on June 19, 1951, shall apply.

11) The release to the public of information by CINCNORAD on matters of interest to Canada and the United States of America will in all cases be the subject of prior consultation and agreement between appropriate agencies of the two Governments.

If the United States Government concurs in the principles set out above, I propose that this Note and your reply should constitute an Agreement between our two Governments effective from the date of your reply.

- 7 -

Accept, Sir, the renewed assurances of my highest consideration.

"N.A. Robertson"
Ambassador of Canada.

The Honourable John Foster Dulles,
Secretary of State of the United
States, Washington, D.C.

DEPARTMENT OF STATE
WASHINGTON D.C.

May 12, 1958.

Excellency,

I have the honour to refer to Your Excellency's Note No. 263 of May 12, 1958 proposing on behalf of the Canadian Government certain principles to govern the future organization and operation of the North American Air Defence Command (NORAD).

I am pleased to inform you that my Government concurs in the principles set forth in your Note. My Government further agrees with your proposal that your Note and this reply shall constitute an agreement between the two Governments, effective today.

Accept, Excellency, the renewed assurances of my highest consideration.

"Christian A. Herter"
for the Secretary of State.

His Excellency Norman Robertson,
Ambassador of Canada.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/19

CANADA AND NATO

An address by the Secretary of State for External Affairs, Mr. Sidney E. Smith, at the 65th Annual Meeting of the Canadian Life Insurance Officers Association, Seigniory Club, May 27, 1958.

... I intend to speak today about one important element in the pattern of our foreign relations. I refer to the North Atlantic Treaty - the insurance policy which, as a nation, we have taken out to deter aggression and to collaborate with our allies in the pursuit of peace. Our NATO insurance is vital to our national life; the annual premiums are high. Because you in your profession appreciate the value of sacrifice and prudent foresight, I know that NATO needs no justifying in your eyes. Yet I am sure that you will agree that it does no harm for the insured to take stock periodically of their policies, to attend meetings of shareholders, and to consider whether their changing needs are cared for by the investment which they have made. It is in this sense that I desire to speak to you about NATO and in particular about the meeting of NATO Foreign Ministers which I attended last month in Copenhagen.

Fifteen nations were represented: two (the United States and Canada) from North America; three from the Scandinavian area (Denmark, Norway and Iceland); three bordering the Mediterranean (Italy, Greece and Turkey); and the remaining seven from what we may call Western Europe (Belgium, France, the Federal Republic of Germany, Luxembourg, the Netherlands, Portugal, and the United Kingdom). Of these fifteen members, twelve are original signatories of the treaty, which came into effect in 1949. Two, Greece and Turkey, joined in 1951; the remaining one, the Federal Republic of Germany, became a member only three years ago, in May 1955.

It is, I think, useful when we consider the current activities of the North Atlantic Treaty Organization to recall the circumstances of its establishment nearly ten years ago. It has been said many times and with reason that NATO is not simply a military response to a military challenge. True, the element of military danger was undoubtedly present at the time when the Treaty was being prepared - the Berlin crisis was a sharp and timely reminder of the Soviet mood - and even

today the Soviet military machine looms before us in an outline and with a motive power which leaves us no alternative but to be vigilant and strong ourselves. But if the force of immediate circumstances accelerated its birth, yet it remains true that to some extent NATO was the product of a natural evolution - an association of peoples who for the most part see eye to eye, who have the same desire and determination to preserve their traditional institutions and ways of life, and who desire to collaborate not only in the immediate military task at hand, but in much wider fields - economic and social, as well as political. I stress the words "desire to" collaborate in these non-military fields. We are still at an early stage in the development of these non-military forms of co-operation and much remains to be done if NATO is to be true to its own collective quality and capacity. As a prelude to what I shall have later to say about the Copenhagen Conference, I may say that I believe that the place of NATO in world history will depend on the success which its members enjoy in developing their political, economic and social partnership. For in equipping ourselves to contend with the various manifestations of Soviet power, and to achieve a mature and harmonious relationship with nations and peoples who desire to remain uncommitted to either the Western or the Soviet coalition, it will simply not be enough to place our trust in military instruments of policy alone.

The recent meeting in Copenhagen took place in the palace of Christiansborg, the picturesque parliament buildings of Denmark, where visiting representatives received from their hosts a welcome of genuine warmth and friendship. Tourists think of Copenhagen as the city of open sandwiches. I think of it as the city of open hearts and, indeed when I look back on the discussions that we held there, as the city of open minds.

I am convinced that this was a most successful meeting. I came away from it profoundly impressed by the sense of unity and co-operation which was in evidence. I well remember only last autumn the serious blow which NATO suffered as a consequence of the dispute between the United States and the United Kingdom on the one hand, and France on the other, with regard to the supply of arms to Tunisia. It says much for the underlying tolerance and understanding among the nations concerned that this issue has not interfered with the development of co-operation in a wider sphere. It is a mark of the confidence which has been developed amongst the NATO allies that the same three members of the Alliance are at this moment acting as trusted spokesmen of their partners in the conduct of negotiations with the U.S.S.R. on certain aspects of preparations for a summit meeting. I suggest that the achievement of such close co-ordination as is now being carried out in NATO is a historic and unique development among free and independent nations and is, in the words of the communique issued at the close of the Copenhagen meeting, one of the significant and promising events of our time.

Here I might remark on the debt which the Alliance owes to its Secretary-General, Mr. Spaak, whom we shall welcome tomorrow on his first official visit to Canada since he assumed his present post.

But, you may say: "This is all very well, this talk about the spirit of unity and co-operation, but what has NATO got to show for it?" This is a fair question and I shall try to answer it by reference to the proceedings and results of the Copenhagen meeting.

Question of Summit Meetings

The most vital items on the agenda of the Copenhagen meeting related to the general international picture confronting the alliance, and specifically to the trends of Soviet policy and to the attitude which Western countries should adopt towards the Soviet Union. Exchanges of view on these basic themes revealed a remarkable unanimity of approach. Take for example the question of meetings at the summit level.

When the Heads of Government of NATO countries met in Paris last December, they proposed, in an effort to resume negotiations with the Soviet Government, a meeting at the level of foreign ministers. This was a reflection of a conviction that some means must be found to break the deadlock which had prevailed on disarmament matters for many months.

The Soviet Government did not accept the NATO proposal. Instead they began to bombard the Prime Ministers of NATO countries, including Prime Minister Diefenbaker, and the leaders of some neutral nations, with lengthy letters ostensibly designed to secure general support for an early summit conference. Missives are of course infinitely preferable to missiles but unfortunately the contents of these Soviet missives, when they were carefully examined, proved disappointing. It became evident that behind the seemingly forthcoming attitude of the Soviet authorities, there lurked some very firm, inflexible conditions. Difficulties arose over the agenda and over the composition of the proposed summit meeting, and even the preparatory talks were hampered by Soviet insistence on the so-called principle of parity, which translated means that they were not prepared to sit down around a table with the United States, the United Kingdom and France unless two other governments of their own complexion were permitted to join the discussions.

Despite these and other difficulties which raised in the minds of Western governments serious doubts as to the real desire of the Soviet authorities for a meeting at the highest political level, the Western position has remained positive and flexible. At Copenhagen we resolved to continue our efforts to pave the way to the summit. As the communiqué issued at the close of the meeting put it: "The NATO governments will not be discouraged nor give up their attachment to

the principle of negotiation." We recognized, however, that while summit meetings are desirable if they offer prospects of reaching settlements on important questions, they are not the only way - or necessarily the best way - of conducting negotiations or of reducing international tension. A summit meeting could only be helpful if it were thoroughly prepared and if the atmosphere was right. Far better, in the absence of a proper atmosphere, to continue the patient probing, the diplomatic pick and shovel work so necessary to the achievement of results in international negotiations.

At the Copenhagen Meeting, I suggested that a forthcoming summit meeting might be regarded as one of a series of such meetings. It would not be the first but the second of a series of meetings of Heads of Government, since that held in Geneva in 1955 should be considered the first. This approach would recognize that there are a number of important and complicated problems between East and West which we cannot hope to settle satisfactorily at one meeting and that they called for a continuous process of high-level discussion and negotiation. In this way public opinion would not be misled into thinking that a single meeting at the summit will solve all the outstanding issues between East and West. If we follow this concept of a series of such meetings, then the next one, for which we are now preparing, could have a limited agenda and limited objectives without conveying the impression to the public at large that issues not considered at this meeting were not a proper subject for negotiation between East and West. Such matters would simply be deferred until a subsequent meeting and, if there were an increase in mutual confidence and understanding, there would be better prospects for agreement being reached at such a subsequent meeting or meetings.

Disarmament

You will, I hope, agree that the position which the NATO allies have taken in respect of a summit meeting reflects a real desire for progress. The same is true, I am convinced, with regard to the talks which were held at Copenhagen on the question of disarmament. You will recall that in August 1957 Canada joined with its principal allies in submitting a comprehensive set of disarmament proposals for consideration by the Soviet Union. These proposals met with a most disappointing response. The Soviet Union refused to accept them as a basis for discussion.

There followed a long and often frustrating period of several months during which both in the United Nations and in exchanges of letters with the Soviet Government the Western countries earnestly sought to find some way in which disarmament discussions could be resumed. The Soviet authorities found various procedural reasons why the resumption of negotiations on disarmament might better be deferred until a summit conference had been convened. We refused to accept a stalemate on these terms.

We kept on probing to see if there was not some limited foundation on which at least the beginnings of progress might be made.

I expect that you may have noted that in the past few weeks there has been a slight, nonetheless a potentially significant, loosening of the disarmament log jam. It came about in an unexpected way. Just before I left Canada for Copenhagen, the Soviet Union entered in the Security Council a provocative complaint relating to the state of defensive readiness of the United States Strategic Air Command. In itself this complaint had little or no effect as it was soon withdrawn by its Soviet sponsors. Yet it deserves to be recalled because it prompted the United States Government to make in the Security Council a constructive and imaginative proposal for the establishment of a zone of inspection in the Arctic designed as a means of preventing surprise attack across the polar regions. To the genuine disappointment of the NATO countries, including I can assure you the Government of Canada, the Soviet Union cast this proposal aside and vetoed it in the Security Council.

This was the background against which the talks on disarmament took place in Copenhagen. It is not surprising that a strong echo of Western disappointment at the Soviet attitude should have found its way into the final communiqué. But the conference did not limit itself to helpless expressions of regret. Despite the Soviet attitude, the foreign ministers considered that it might be possible to inaugurate expert technical discussions between representatives of the Soviet Union and the Western powers principally concerned on detailed measures of control over disarmament, even though the precise disarmament measures may not yet have been agreed upon. We had particularly in mind measures to prevent surprise attack and to detect nuclear explosions.

Speaking for the Canadian Government, I laid particular stress on the need for further study of measures for inspection and control. I have always thought that such measures are fundamental to the success of any disarmament negotiations. For the West control means confidence, and confidence is what is presently lacking. I proposed, and other ministers agreed, that the North Atlantic Council should itself consider the possibility of carrying out within its own membership studies and experiments on the technical problems of inspection and control. I had in mind that a pilot control scheme in the Arctic, or possibly in other regions, might not only permit us to improve our own understanding of the technical problems involved, but would also provide crystal-clear evidence of the sort of measures which we would be prepared to put into operation on our own territories in collaboration with the Soviet Government. I thought it not too much to imagine that the Soviet Government might in time be invited to establish similar pilot schemes on Soviet territory so that, in some future negotiation perhaps in the United Nations - it might prove possible to arrange for Soviet participation in our schemes and our participation in theirs.

You will perhaps have noticed in the press recently that the Soviet Government has now agreed to a United States proposal for a meeting of experts to study the technical measures which would be required to implement effective systems of controlling and verifying nuclear explosions. I sincerely trust that Soviet willingness to participate in these technical studies carries the wider implication that the Soviet Government is now genuinely interested in responding to the Western desire for early progress on the disarmament problem. There is a saying that a second marriage is a triumph of hope over experience. Our earlier experience in dealing with the Soviet Union has certainly not been promising, but we have not lost hope that by means of small beginnings it may be possible to create the atmosphere of increased confidence on which more substantial agreement depends.

Economic Co-operation

I desire to touch briefly on one other aspect of the Copenhagen meeting. I refer to the question of economic co-operation among the NATO partners. This was the subject on which the Canadian Delegation placed particular emphasis and I was gratified that other ministers held the same views. There was general agreement on the importance of co-ordinated effort to ensure economic prosperity - notably by the expansion of international trade and by aid to under-developed countries. Consultation on methods and machinery for co-operation in this field will take place within the Alliance.

I stress one point here which I think is not always understood by those who talk of economic co-operation in NATO. I think that it is a mistake to imply that NATO will or should itself become an effective organ for economic co-operation. What is implied, however, is that the principles of economic collaboration set out in Article 2 of the Treaty should engender and inspire efforts by member countries to solve specific problems amongst themselves or in other organs where these topics can be more appropriately pursued. I have in mind in this regard the fact that there is already a great deal of enormously useful work being done under the United Nations, including the Expanded Programme of Technical Assistance and the various Specialized Agencies, to promote the economic well-being of less developed areas of the world. The same is true, of course, of the Colombo Plan in which Canada is an active participant. I regard these projects as in a very real sense consistent with the objectives of economic co-operation which we have set ourselves to pursue in NATO.

Mr. Chairman, the agenda of this Copenhagen meeting did not include a discussion of the problems of NATO defence, which will be considered again at the meeting of the NATO Council to be held next December. I did, however, suggest to my colleagues

that there is a necessity for continuous study of the relationships between political and military decisions in NATO. We must above all avoid a situation in which the expansion and perfection of our military machine proceeds without regard for the changing international political climate. Our posture must be to hold up one hand in resolute defence and to keep the other in a gesture of friendship. While keeping our defence secure we must be alert to seize every opportunity to negotiate and to seek agreement which would reduce tension and remove the awful possibility of nuclear war.

Mr. Chairman, I am grateful for this opportunity of addressing you. I make no apology for discussing these matters. They concern us all. They have to do with our existence and our very survival.

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No. 58/20

THE ROLE OF SCIENCE IN DEFENCE

Address by Dr. A.H. Zimmerman, Chairman,
Defence Research Board, to the Canadian
Aeronautical Institute, Toronto, May 26,
1958

It is a great pleasure for me to be here tonight and to have this opportunity of speaking to you.

Tonight I speak to you as an engineer, with some experience in both industry and government. In my present capacity my days are spent largely with scientists, and of course the defence research program for which I am responsible is primarily related to fundamental and applied science rather than to engineering development.

My general theme tonight is "The Role of Science in Defence", with special emphasis on its application to aeronautical engineering. I think we might all agree that the technological advances of the 20th Century have far outstripped all of those made in all past history. In the early stages of man's history, his chief preoccupation was to procure sufficient food, shelter and clothing for survival. For these essentials to life, he depended almost wholly on his own physical strength and ingenuity for success. In the sophisticated civilization in which we now live we are still faced with the problem of survival, primarily because man has now mastered such enormous powers of destruction as to make no place on earth safe from attack.

The wheel seems to have gone full circle, with vast technological changes but with little if any progress towards a solution of the original problem -- that of ultimate survival.

The outpouring of new knowledge, in all fields of science, is now such that no one man, or group of men, can hope to understand more than a small fraction of it, and the pace continues to accelerate. As one writer has put it, many people are asking "How long will it last?"; "Will this

rate of material progress continue faster and faster?; will it level off -- or will it end in the catastrophe of a war that will annihilate civilization as we know it, ending in a return to the Dark Ages?":

These are the fundamental questions today, and certainly there is no pat answer.

Under all the circumstances, our national course has been, and indeed continues to be, to promote international peace by every available means, but at the same time to recognize that it is only prudent to keep our guard up. It is the leaders of governments and statesmen who must take the responsibility for promoting peace, for discovering new and sure ways by which man can learn to live at peace with his neighbour, but it is the scientists and engineers who are entrusted with providing protection to ensure survival meanwhile.

So, until peace is declared, and can be accepted with confidence on all sides, it would seem that we must continue to press on with technological advances at as rapid a rate as we can afford, and in a direction which is calculated to defeat foreseeable threats.

These are my major points -- that the rate of advance must continue to be rapid, and that the direction of our effort -- in other words, our research and engineering programs -- must be sufficiently flexible to prepare for defence against a variety of threats. I refer particularly to threats from manned bombers, from ICBM's, and from submarine-launched missiles.

We are becoming more aware every day of Russia's intense drive and concentration on scientific achievement. From early school age to graduate level, science is encouraged by real incentives. Bright students by applying themselves to their academic training are rewarded with a higher standard of living than their fellows; teachers are held in high respect and paid very well; first class buildings and equipment are provided on a lavish scale; it is in fact quite clear that an aristocracy of privileged people, largely made up of scientists and engineers, is emerging.

One writer has summed it up by saying that "Russia's national preoccupation is in solving scientific and intellectual problems and indeed to wrest technological superiority away from the West". Another goes even further. He says -

"It is not only our military, scientific and technological capabilities that Russia has challenged. In a more subtle and profound way it is challenging our system of government. Can Democracy ensure survival?".

Such statements as these only serve to strengthen our determination in the West to keep pace, otherwise we will surely lose the race.

In considering what is a practical rate of advance from the scientific point of view, there would seem to be 3 basic factors, without any one of which further progress would eventually be slowed almost to a halt. I am going to talk about these factors for they are, I think, particularly relevant to the aircraft industry at the dawn of the Atomic Space Age.

They are - the growth of new knowledge, the availability of new sources of power, and the development of new materials.

First, the growth of new knowledge.

It is self-evident that the discovery of new knowledge, of new facts hitherto unknown, or of new natural laws must, in the main, stem from basic or fundamental research, carried out largely at universities or at government research laboratories. The scientist is not concerned with the profit motive. He carries out his researches and his experiments purely in the hope of adding something new to man's store of knowledge of the world about him and of the natural laws which apply to it. Frequently the true scientist does not even know where his work is leading him; often he does not even care, so long as he is adding to knowledge of his subject. But he persists, and from time to time he achieves a "breakthrough" which he thereupon hands over to any one who wants to use it. His discoveries and achievements provide the raw material for the engineer. His end point is the engineer's starting point.

The engineer, on the other hand, must be concerned with the profit motive. It is up to him to take the raw material of the scientist and put it to practical use, in a form, and at a price, that makes it both attractive and useful to a customer. This is true whether the product is one which can be sold to the public-at-large by the million, or whether it is extremely costly, such as a complex weapons system, with but a single customer - the government. My point is that the engineer and the scientist must work together as a team. If the rate of advance I mentioned a few moments ago is to continue, they must communicate continuously with one another for, in fact, they are mutually dependent.

The second factor essential to rapid advance lies in the need to make available new sources of power, again a problem for scientists to discover and for engineers to put to use.

We have seen in Canada the successive discovery and development of power from several sources - from the early use of the water wheel located on the banks of fast-flowing rivers to drive the crude machinery of the early saw mills, flour mills and textile plants; to the use of steam power derived from coal; to the giant hydro-electric plants of today, and to the many uses of oil as a prime source of power.

If I may digress for a moment, my mention of giant hydro-electric plants reminds me of the new St. Lawrence Power and Seaway Development. Between Iroquois and Cornwall the fact of nature is being changed on a grand scale, including a tremendous dam at Iroquois to control the level of Lake Ontario and an International Power Plant at Cornwall designed to generate 1,640,000 kw by 1960. In the process some 20,000 acres of land will be flooded, necessitating the removal of several entire villages to relocate 6,500 people on high ground in newly-built communities. Long stretches of main highways and rail lines must be moved -- even cemeteries cannot be left to the flood. This project is a modern saga of the historic St. Lawrence Valley on a scale unlikely to occur again in our lifetime. If you have not already done so, I can strongly recommend a visit to the site, from which I am sure you and your children will return with a sense of pride in this great Canadian achievement. But you will have to hurry - the flooding is scheduled to take place during the first four days of July.

Beyond the sources of power I have mentioned, we have the promise of nuclear power, both by fission and by fusion, now in its infancy.

As applied to defence problems, we already have nuclear propulsion available for ships, which may well change and extend the strategic role of the Navy.

Last December, I was privileged to go for a short cruise in the USS SEA WOLF, the second nuclear-powered submarine built for the US Navy. The relative simplicity and reliability, coupled with high speed, of this new source of power was most impressive. In the reactor room, lined with instrument panels, control buttons, switches, meters, gauges and flashing lights, there was a brass plate mounted on the head of the reactor itself which read:

"Property of U.S. Government - DO NOT OPERATE
BEFORE READING INSTRUCTIONS".

This did seem like a slight over-simplification.

Some day the problems of weight and safety may be solved to the point of making nuclear power practical for flight in one form or another.

In the meantime, a great research effort is going into the so-called "exotic" fuels, to provide efficient power for supersonic and possibly hypersonic flight in outer space, through the use of either liquid or solid propellents.

Again in the Space Age, man's ability to fly ever higher and faster is dependent on the availability of new sources of power.

The third factor we must consider is the need for new materials. Having mastered the sonic barrier -- although there is still much to be learned about that strange phenomenon -- we face the thermal barrier, which as you all know is the speed of flight at which high temperatures affect airframe skins and structures adversely. In addition there is the great problem of finding materials which will withstand and contain the hot gases produced by the new sources of power.

Many research attacks are being made on these problems, including experiments on a wide variety of surface coatings on what might be called conventional metals; on new alloys using rare metals and on various combinations of metals with ceramic materials. Satisfactory answers are essential if the engineer is to further widen the horizon of space flight.

In summary then, we find that the scientist must be encouraged to continue in his role of contributing to the growth of new knowledge, discovering new sources of power, and inventing new materials.

The engineer, however, has several equally important responsibilities -- one is to identify and interpret his own needs to the scientist, in order to stimulate research in useful directions; another is to exercise creative imagination in putting scientific discoveries to use. Since he cannot do everything, he must be selective in his projects, and here a correct evaluation of the time factor is of supreme importance.

From a defence standpoint, considering the very long lead time required for the development, production and deployment of a complex weapons system -- usually from 7 to 10 years or even more -- there is little merit in spending the national wealth on a project which matures too late, or is obviously obsolescent in the face of probable enemy threats.

Let me explain for a moment what I mean when I refer to a "complex weapons system".

It is natural that you in the aircraft industry, spending most of your waking hours thinking of aeroplanes, may think of an interceptor fighter by itself as being a weapon for defence against an attack by manned bombers. It is, in fact, only one part of an extremely complex weapons system, which to be at all effective, must include such vital elements as the ground radar early warning and detection system -- 3,000 miles of it across the Far North, the Mid-Canada Line radar chain, the ground environment for control and data-processing necessary to place the fighter in a position to intercept the enemy; all of the essential split-second communication links between these lines; the integrated electronic fire control, navigation and communications equipment installed within the aircraft, finally the guided missile with which the aeroplane is equipped.

It takes little imagination to see why it takes so many years for a weapons system to be researched, developed and built, and it is easy to understand why still later research and development may cast a long shadow of obsolescence ahead of it.

In short, the problem of long lead time has never been more crucial. Expensive projects become fruitless if they cannot be carried out rapidly.

In one of our applied research labs there hangs a sign which reads, "If it works, it's obsolete". While, hopefully, that isn't often true at the applied research stage, it tends to become progressively more true as further years of development and production mount up.

This points up the need for maintaining a continuous momentum of research even though the later use of it may not carry through to production.

Perhaps the solution is to design the research and development program in such a way that successive projects will overlap in time, but not necessarily implying that they will all be carried through to production. Such a system would, however, keep our knowledge up to date and would enable us to produce a given type of weapons system in perhaps half the time required if we wait for complete production of one before beginning on another.

Now I would like to say a few words about the status of aeronautical research in Canada, with respect to its application to defence problems.

As Canadians, we can take considerable pride in the fact that, since 1945, some 25 types of aircraft have been produced in Canada, almost half of them of native design. But we cannot feel so happy about research for which our resources are relatively meagre. There are

reasons for this situation. The results of research and design in the US and UK have been available to us, and we have been able to use many of the facilities in the US for model testing and applied research generally.

We in the Defence Research Board have recognized that this is not a healthy, balanced condition for the future and we are doing something about it in several directions.

The keystone of any continuing research program is a supply of competent scientists and engineers for the research establishments and industry. To this end, the Defence Research Board grants approximately \$300,000 per annum to the various universities to provide facilities and support research projects for training in the Aerodynamics and Gas Dynamics fields. Similarly, in the Structures and Materials field, DRB grants to universities are of the order of \$130,000 per annum.

As many of you know, there is now a well-established Institute of Aerophysics for post-graduate training and research at the University of Toronto. This is physically located at Downsview and has been largely financed by DRB. Similarly, a smaller laboratory has been established at Laval University in Quebec, also financed by DRB, in order to encourage another centre for the training of aerodynamicists. In the propulsion field, DRB has supported a Gas Dynamics Laboratory at McGill University in Montreal for several years.

Early this year the Government gave its approval to construct a \$6,000,000 Wind Tunnel at Ottawa. This is being jointly financed by DRB and NRC, and, it is hoped will be ready for operation by 1960. This tunnel, with a 5 foot square test section will have a speed range from zero to Mach 4.5, resulting in Reynolds Numbers up to 15 million per foot, which represents a tenfold improvement over our present supersonic testing capabilities. This tunnel will have sufficient flexibility to test models of any type of air-borne vehicle whether manned aircraft or unmanned missile, and even certain types of propulsion systems such as ramjets.

And at our Canadian Armament Research and Development Establishment in Quebec we have an 800' Aeroballistic range in which models can be tested and photographed in free flight up to hypersonic speeds. As an adjunct to the CARDE activities, we also maintain a fully instrumented Free Flight range at Picton, Ont., where much of the dynamic stability testing on the CF-105 aircraft was carried out.

Perhaps one of the most revolutionary advances to be made in aviation will be the achievement of true vertical take-off and landing which has now become practicable with the advent of lightweight gas turbine power plants. Recognizing this potential, the Defence Research Board has sponsored a number of research contracts with the Canadian aircraft industry in both the STOL and VTOL regimes and the associated propulsion systems. You will hear preliminary reports on the results of some of these activities in your technical sessions tomorrow morning.

These are some of the measures we have taken to encourage careers in solving problems in the evolution of flight, and to provide much-needed research facilities in Canada.

In conclusion, I have attempted to indicate very briefly something of the role of Science in Defence, which hinges largely on the relation of the scientist to the engineer.

The world now stands on the threshold of the Space Age. Perhaps it could be more simply called the Scientific Age. In very recent years we have seen spectacular developments in the speed of flight, in the power of the atom, and in the myriad uses of electronics. The future staggers the imagination.

In 1948, Professor Einstein is reported as saying this:

"Our situation is not comparable to anything in the past. It is impossible therefore to apply methods and measures which at an earlier age might have been sufficient. We must revolutionize our thinking and revolutionize our actions."

Yes, we sense many new and as yet unknown developments ahead, even though we cannot yet fully understand their implications.

In today's exploding technology it is surely the scientist and the engineer who will lead the way.

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No. 58/21 CANADIAN - AMERICAN RELATIONS AND THE FREE WORLD

Excerpts from a speech given at
Wesleyan University, Middletown, Conn.,
U.S.A., Sunday, June 8, 1958, by
Mr. John G. Diefenbaker, Prime
Minister of Canada

I am honoured to be admitted to the fellowship of Wesleyan College which, for more than a century and a quarter, has been in the forefront of outstanding colleges dedicated to the liberal arts and noted for their hospitality to freedom.

I regard it as an honour given not to me personally but to my country, whose relations with yours are unequalled anywhere among the nations...

With freedom challenged today in all parts of the world, and with the emphasis that is being placed on material things of defence and survival, there has developed in the conscience of many good and responsible people a demand that universities should endeavour to achieve a virtual monopoly of scientific training and research.

While the encouragement of science must receive emphatic support not only to meet the international emergency but to assure the continuing benefit of mankind, I am of those who believe that for the universities of the free world to forsake the encouragement of the spiritual things and enthrone the machine would be a course as dangerous as it would be short-sighted. To meet the challenge of the tyranny of Communism does not mean that we must adopt the techniques of its tyranny.

To repudiate emphasis on the things which make for the freedom of the human spirit, or to subvert education to materialistic purposes would, in the longer perspective, cause the irretrievable loss of freedom.

In my college days, science promised its uses for the benefit of mankind and humanity's golden age. Communism would make its use the moral cockpit of mankind, having adopted science as an essential means of dominating mankind.

The danger to mankind's survival was anticipated with prophetic accuracy by the Rt. Hon. Herbert Asquith, one of the First War Prime Ministers of the United Kingdom when, in 1920, he said:

"The experience of this war has made actual what was unimaginable before. But there are, or would be, if the old system were to continue, two new factors at work. The first and most obvious is the unexplored and still incalculable effect of the harnessing of science to the chariot of destruction. We have seen in these four years only the rudimentary application of methods and agencies unknown and undreamt of in the campaigns of the past. Science has in these matters not only said her last word; she is still lisping the alphabet of annihilation. If she is to be diverted for another 20 years into the further elaboration of the mechanism and chemistry of destruction, we may as well pray for the speediest possible return of the glacial epoch".

What would he have said today in this era of hydrogen bombs and atomic warheads and intercontinental missiles?

Scientific miracles have wrought fantastic changes in material well-being for mankind but science dare not be allowed to become the master of free men or freedom will perish...

Believing that the honour conferred on me is designed to be an honour to my country, I intend to speak to you on the importance of Canadian-American relations to the future of the free world, and the need of fostering and expanding the unity of our purpose in the cause of freedom.

Our two nations have a major mission for freedom; - the United States, with its vast industrial power and population and by the contribution that it has made in war for freedom and in peace so unselfishly given to the welfare of all nations, and Canada, with its vast mineral and other resources and by its equally proven devotion and sacrifice of 100,000 men in two world wars. We have much in common.

Our nations must stand together with other freedom-loving nations. Our two nations have an appointment with world destiny, for the shield of freedom requires not only the resolution of free men that springs from the sharing of common spiritual values which are the heritage of all free nations but as well the material strength of material resources with which our two countries have been singularly blessed. The unity of these two countries, therefore, a unity of purpose, is of importance not only to ourselves but to the nations of the free world.

Politically, Canada and the United States, while each drawing the inspiration of their political systems from Great Britain, have grown up by separate and different ways, one achieving its freedom and independence by revolution, the other by evolution -- the United States a Republic, while Canada, an equally sovereign nation, gives its allegiance to the mystic and intangible unity of the Crown in a Commonwealth of Nations joined by no agreement, and maintained by no compulsion, but by the common aspirations of independent people in all parts of the globe...

The Constitution of the United States, and our Constitution, written and unwritten, are based on the belief that law and authority derive from moral principles by which, and in no other way, can freedom and justice be achieved.

The United States owes much to the political genius of British peoples, and British peoples owe much to the wisdom of the Founding Fathers of the United States. Canada is indebted to Franklin, Jefferson, Hamilton, and others of your founders for the federal system of government which we borrowed and applied to the needs of our nation, and without which Canadian Confederation could not have been achieved.

The concept of the Commonwealth of Nations provides freedom and independence to each of its members, while giving to each the enrichment of a partnership in a family of nations global in extent. Few of our people realize that the concept upon which our Commonwealth was built was first enunciated in 1775 when the Olive Branch Petition was signed by forty-six members of the Continental Congress including Elijah Dyer, Roger Sherman and Silas O'Deane of Connecticut, as well as John Hancock, John Adams, Benjamin Franklin, Patrick Henry, Richard Lee and Thomas Jefferson, and presented to King George the Third.

All of the principles of the Statute of Westminster, which binds the Commonwealth together, were embodied in this Petition delivered to the British after the battles of Lexington, Concord and Bunker Hill had been fought. Had it been accepted it would have brought about the principles upon which the Commonwealth is now built. This was not to be but the ideas of the Founders of this nation, expressed in that petition, in the process of time have become the cornerstone of the Commonwealth.

As Nicholas Murray Butler said, some twenty-five years ago:

"It is one of the most astounding things in the history of government that these men off in this distant series of colonies, economically in their infancy, financially helpless and dependent, had the vision of organization which has come now

to all the British peoples So it is in the history of our race. Ideas, how slowly they travel; arguments, how slowly they are apprehended; action, how slowly it follows upon conviction".

Based on a common faith in and devotion to the same abiding principles of liberty and peace, the relationships between us constitute a model for mankind. And so they must remain. Now, and in the future, that need has been intensified by the developments of science in intercontinental ballistic missiles and Canada's strategic position as the neighbour of the U.S.A. and the U.S.S.R.

It is necessary for both of our nations to carefully examine that relationship, not only for the benefit of our respective countries, but for the contribution we can make in unity for all mankind.

There is a desire among the people of your country to understand not merely Canadian problems, but to understand Canada and Canadians.

I can assure you that there is a universal desire among Canadians to increase their understanding of the United States and to the end that our unity of purpose shall remain unimpaired.

In population the United States is ten times greater than Canada; economically the United States is about twenty times as strong. We live as it were as two families in the same house - one continent - in which one of the occupants is a giant, and with another giant just around the corner who does not share our views.

We have difficulties arising from our trade relations and in particular from the fact that while there has been a continuing unfavourable balance of trade for Canada over the years, in the last two or three years we have been purchasing from the United States more than a billion dollars a year more than the United States has purchased from us, and that in the disposal programme of agricultural products by the United States, Canada has been materially hurt economically.

A major source of difficulty has been the disposal programme of surplus farm products abroad which has had the effect during the last two or three years of detrimentally affecting Canada (which depends heavily on wheat exports) by way of barter deals and subsidized tied sales which in our opinion go beyond what is fair and competitive.

We are united in our defences both in Europe and in North America. We have recently entered into the NORAD Air Defence Agreement (which will come before the Canadian Parliament on Tuesday for approval) which is indicative of the co-operation necessary in the interests of survival for both of us and for freedom itself.

But unity in defence is not enough. We must re-inforce our defence action by economic collaboration.

The relations between our countries cannot be taken for granted. They require constructive, continuing and co-operative consideration. We will let you know when we have grievances, as you will let us know. Good relations are reciprocal. I want to reiterate that our attitude is not one of anti-Americanism but rather of pro-Canadianism. As the Canadian Secretary of State for External Affairs (Mr. Sidney Smith) said recently, "True friendship cannot be wrecked by honest frankness".

One of the most encouraging signs of a desire to bring about the dissolution of potential difficulties between our countries was the action taken by the House of Representatives Committee on Foreign Affairs in issuing a special report on May 5 last on Canadian-American Relations which was prepared by Congressmen Brooks Hays of Arkansas and Frank N. Coffin of Maine.

The U.S.S.R. appears now to be directing its major attention to the weakening of the free world on the economic front. I believe that the nations of the free world will have to act co-operatively and effectively on economic matters, as they do in defence -- that the free nations will have to refrain from actions which will detrimentally weaken their partners in freedom's quest for freedom's survival anywhere in the world.

Just to mention a few of the things in respect of which an imaginative policy could be helpful...

To remove overhanging surpluses of wheat and our storable farm products and at the same time to assure that strategic reserves of these commodities will be available in Europe should war come.

The setting up of a NATO food bank would have a dual purpose in this regard and could also be used to assist food deficit nations when in need.

The problem of serious unemployment is another that must be met in the free world, for should it become general it would afford Communism its greatest impetus. Joint action to meet the problem would seem to be something worthy of consideration.

To meet the problem of the relations of our nations the Hays-Coffin Report suggested a Congressional Committee on Canadian Relations. I am sure that the Parliament of Canada would give the fullest consideration to the setting up of a similar committee of Canadian Parliamentarians who in periodic visits to our respective capitals would do much to achieve suggested solutions of recurring problems.

The benefits that will flow from such a joint meeting were very apparent in 1942 when, at a Parliamentary Conference at which I had the honour to preside, members of the Congress of the United States met in Conference for the first time with Canadian and Commonwealth Members of Parliament.

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UNITED STATES-CANADIAN RELATIONS - A REALISTIC APPRAISAL

An Address by Mr. Sidney E. Smith,
Secretary of State for External
Affairs, Canada, to the Council on
Foreign Relations, Inc., New York,
June 4, 1958.

All of you are aware that I would not be speaking to you this evening on this subject were it not for certain important political events which have taken place within Canada during the past twelve months. Indeed, I have noticed some speculation in your press from time to time as to what sort of strange creatures might now be directing the destinies of Canada as a consequence of two elections which have overthrown the twenty-two year dominance of Canadian politics by the Liberal Party and the substitution of the Progressive Conservative Party. I shall not pretend to make any comparison between the views and attitudes of our two political parties. Suffice it to outline what I conceive to be what you would wish to know about the relationship between the Canadian Government today and the United States.

It may be more explicit to use the negative statement that our attitude is not based upon emotionalism. I should like to divide this statement into four parts:

a) We are most certainly not anti-American. Mind you, we do disagree from time to time with certain views and policies of the United States Administration and with certain actions of Congress. In fact, it has happened that when we agree with one we find ourselves in disagreement with the other.

b) At the same time, we do not pretend that we can overcome problems by blinding ourselves to their existence. We seek, however difficult that may be, to be objective and realistic. We realize that in the United States, just as in Canada, those who are charged with responsibility under our respective forms of government must have the interests of the people of their country as their primary and continuing concern. To this I would hasten to add

that the interests of the people of the country are not necessarily always identical with the point of view put forth by those persons who are most vocal, nor are short-term interests always identical with long-term interests. It would, however, be mere sentimentality, and I should be much less than frank - indeed, I should be definitely misleading - if I were to pretend that the traditional friendship between the peoples and the governments of our two countries could not be injuriously affected by any possible action or failure to act on the part of the United States.

c) In the third place, we are fully convinced that static relations soon become stagnant relations. Continuing good relations between us are so important that they must be kept under constant and vigilant review in a world which has moved a long distance from the orderly Nineteenth Century pax Britannica. Relations between the United States and Canada cannot exist in some sort of sterile vacuum. Our relations are alive and growing.

d) Finally, the interests of true friendship can be served better by a frank examination of problems as they arise than by sulking in the corner and, if you will pardon the change of metaphor, permitting them to fester under a covering of professed friendship.

A few years ago there was a rather glib assumption that some sort of marvellous salve existed which, whenever applied, soothed and healed every conceivable wound occasioned by one to the other of our two countries. This miraculous salve was believed to have been responsible for a prolonged period of peace and an extensive undefended boundary.

How accurate is this concept of the miraculous salve? Since my entry into what is described as "practical politics" now just nine months ago I have frequently heard it said that public memory is short. Sometimes this opinion has been vouchsafed with a sigh of relief; at other times it has been put forward at least in sorrow if not in anger. All of us idealize our youth and I understand that quite unconsciously we remember those things that are pleasant and forget those things that are unpleasant. But a realistic appraisal of relations between our two countries must face historical facts. Many years after the War of 1812 the Rideau Canal, which today provides beauty to the Federal District Commission of Ottawa, was built as a means of protecting Canadian shipping from United States marauders along the St. Lawrence River. On April 14, 1870, three years after Canadian confederation, our Prime Minister, Sir John A. Macdonald wrote:

"At this moment we are in daily expectation of a formidable Fenian invasion, unrepressed by the United States Government, and connived at by their subordinate officials."

Indeed, one could come down to more recent days within this century when the annals of the Canadian Parliament record speeches highly critical of the Alaska boundary award.

I mention these matters, not to drag up ancient sorrows but to suggest that we not seek remedies to present situations in solutions hallowed by old age rather than by utility.

What was the state of relations between Canada and the United States even twenty years ago today? In 1938 the United States was not particularly interested in world affairs. The Monroe Doctrine during more than a century had become interpreted by many people as a justification for isolation from the messy affairs of a decadent Europe. Canada, largely because of its Commonwealth connection, was more interested in what happened on other continents. But we too participated in such matters only to a small degree. Our External Affairs Department then consisted of a handful of dedicated officers with missions in fewer places throughout the world than I have fingers on my two hands. Furthermore, our military strength was slight and Canada was far removed from any battlefield of anticipated war. Perhaps a third reason was that the Canadian economy was still strongly biased toward agriculture. In consequence of this, our trade interests were largely confined to the well known triangle - sell to the United Kingdom, who sells to the United States, who sells manufactured products to Canada. A favourable balance with the UK and an unfavourable balance with the US worked out very nicely so long as the UK had US dollars in its pocket.

What then has happened to shatter the world of 1938? Many things, I suggest. Far too many for me even to enumerate, let alone deal with them in detail. But I shall seek to run over some of the more significant ones and ask you to picture, as I discuss each of these events and actions, how it has affected both the United States and Canada.

World War II had effects far beyond those of any other conflict recorded in history.

Out of the ruin of war emerged an international forum - the United Nations. It was not a world government, but it did provide a place in which there could be direct communication among representatives of many different countries and where attempts could be made to improve the

lot of people throughout the world. It also provided the Security Council which, it was hoped, would be able to prevent the outbreak of future wars by having the five great powers who had joined in winning World War II police the world. In how short a time were our hopes dashed! Hardly had the United Nations come into existence before the elements of the cold war became evident. The U.S.S.R., first in Iran, then in Europe, and after that everywhere, sought to extend its tentacles. Canada as a non-permanent member of the Security Council during some of its most active days stood side by side with the United States in endeavouring to resist this contradiction of everything for which the United Nations had been formed. Ever since, we have worked closely together, right down to the time, a month ago, when the Canadian and United States representatives stood staunchly in support of a resolution for aerial inspection of the Arctic. Throughout the years the United States and Canada have resolutely maintained that inspection and control are essential prerequisites to any form of control of nuclear weapons. Twenty years ago we little knew and little worried about such matters.

Out of the destruction of World War II came a great change in the status of the United Kingdom and France. They were victors, according to the history books; but what a price they paid! What a price the United Kingdom paid in the liquidation of its foreign holdings, in the destruction of homes and factories, in the piling up of sterling balances in India, Egypt, and elsewhere, and most of all in young manhood! The future was mortgaged in return for bombs and aircraft and shells which daily were hurled into oblivion. Of the effect on France, I need not comment after the events of recent weeks. These two countries were among the closest friends that Canada had in the world of 1938. They took a large proportion of our exports and paid for them in cash. They were able to support great armies and navies and behind this protective barrier we in Canada felt secure. How great has been the change - how important for the United States as well as Canada!

And after World War II there was that generous effort on the part of the United States, the "Marshall Plan". The United States made it possible for Western Europe, with much struggling, to pull itself up, as it were, by its own bootstraps, until today there is hope that it may resume its importance in world affairs and, not the least, in world trade. In the latter stages of the war and after, Canada, too, by loans and outright gifts made proportionately large efforts to restore Europe economically from Athens to London.

One result of the war and the outbreak of the cold war was the formation of the North Atlantic Treaty Organization. NATO owes much of its conception to the United States and Canada. NATO has stood as a great shield

to protect a weakened Europe from the marauding Communist forces and has given Western Europe an opportunity to rebuild its military forces and its economies. Both our countries have freely given large quantities of equipment for European defence as well as bearing the high cost of maintaining troops in Europe. More recently and particularly during the past year, NATO has evolved as a forum in which political consultation can take place among the powers of Western Europe together with our two countries.

Out of the upset of World War II has come the sudden emergence into independence of many nations. Almost without exception they have found that their political reach exceeded their financial and administrative grasp. The United States and Canada and other countries of the free world have given assistance in terms of financial aid and technical and administrative know-how. As these newly emerged nations develop into strong, healthy, free peoples, having basic concepts similar to our own, we shall be amply rewarded in knowing that our children may live in a friendly world - not holed up in an isolated fastness surrounded by hostility. The emergence of underdeveloped countries has imposed a significant strain on the financial resources and on the stock of administrative skills of the free world; indeed, even on our stock of political skills. As the underdeveloped countries take over the direction of their own affairs, understandably they give priority to improving the pitifully poor incomes of their people. They have had to go through centuries of development in a matter of several years. Should we then be surprised that some times we find it difficult to understand their points of view and they ours? These underdeveloped countries too are sometimes one-crop countries. Another difficulty is that they are not merely agricultural but backward agricultural countries. From a distance they see the shining glint of North American standards of living and North American and Western European factories. And their natural appetite is for these evidences of national and material maturity. There are bound to be conflicts and problems, particularly in terms of trade relationships. The leaders of the Soviet Union publicly state that they make no distinction between political and economic means in pursuing their foreign policy objectives. We have tried to keep them separate without much success. Therefore, I suggest that we should realize in dealing with economic subjects that they do have political effects and that political considerations have interfered with the purely economic laws of international trade and finance.

Thirteen years ago today how many of us had even heard of nuclear weapons? Today, they are commonplace in our thinking. The atom bomb, the H-bomb, and the ICBM have followed one another in quick succession. We argue today about small tactical weapons and whether a war can be contained and whether we should seek to clean up our explosions. In 1938, I suppose our greatest dread was of gas warfare. In a world of advanced nuclear weapons and frightening means of delivery

the considerations which enter into the examination of relations between our two countries are vastly different from those of twenty years ago.

Today Canadians are cast in the role of policemen in the United Nations Emergency Force in the Middle East, the United Nations Commission for India and Pakistan, and in patrolling the Geneva Agreement with respect to Vietnam, Laos and Cambodia. The United States seeks also to preserve the peace in the manner appropriate to a militarily powerful country through alliances and guarantees.

The United States has moved from a position of isolation in 1938 to leadership of the free world in 1958 with all the burdens and responsibilities entailed in the assumption of that mantle. As I have said on a previous occasion, your Secretary of State and his advisers must have the eyes of a potato to see in all directions at once. The United States has to shoulder the great burdens and responsibilities of leadership. Inevitably the world's history has required that the leader should be willing to make great sacrifices and to act not just in his own interest but in the interests of the world community in which he serves.

Canada too as a leader among middle size powers has undertaken burdens which are tremendous in terms of our economy and of our population. In order that we may discharge these burdens effectively it is essential that we continue strong economically and militarily.

In dealing with so many complex and perplexing international questions there is an unbelievable coincidence of views between our two governments. The main reason, I suggest, is that our broad interests and objectives are, in fact, so closely identified and reconciled that independently we come to what are basically the same conclusions on matters of international consequence. Viewed in this perspective, our differences are of minor importance but, of course, should not for that reason, be swept under the carpet. In order to ensure that a major divergence of views does not in future separate us, and in the interests of our basic friendship and common endeavours, we should continue to acquire as broad as possible a knowledge of one another's affairs and points of view. I would go further, and say that we should seek at all times to improve the institutions and machinery of mutual co-operation whenever this seems desirable in the common interest.

Now for a few moments let us look at those matters which are more particularly of bilateral concern. In his effective presentation before the Senate Foreign Relations Committee a couple of weeks ago, Ambassador Merchant said:

"With no other foreign country are the relations of the United States as close as with Canada. Because of the wide range of common interests between the two countries the areas of possible friction are great. This increases the importance and magnitude of the task of the maintenance of satisfactory relations."

Once again I ask you to compare the few points of contact in 1938 with the multitudinous strands which exist between us in 1958.

It is gratifying to note the interest that has recently been shown on both sides of the International Boundary in the matter of relations between our two countries. Particularly gratifying has been the interest taken by the Legislative Branch of the Government of the United States. The Senate Foreign Relations Committee devoted a special period of consideration to relations between the United States and Canada. In the House of Representatives, Messrs Hays and Coffin, whom we had been delighted to receive as guests earlier in the year, produced a report for their fellow-members of the Economic Sub-Committee of the House Foreign Affairs Committee - a report which is compact and bristling with ideas.

Some harsh comments have, I know, been made by certain senators during the course of the Foreign Relations Committee hearings. Nevertheless I welcome these comments and hope that a greater interest will lead to a greater knowledge of our problems because I am convinced that with a greater knowledge some of these comments will be greatly changed, if not reversed.

In particular I rejoice to refer to the forthcoming visit of President Eisenhower and Secretary of State Dulles to Ottawa in early July. This sort of a summit meeting does not depend for its value upon the momentous decisions taken or the high-flown language used in a press communique. We are in constant touch not merely through the diplomatic channels but by direct contact between departments.

One of the most important of our relations has to do with defence. On August 1, 1957, the two governments announced their agreement to the setting up of a system of integrated operational control of the air defence forces of Canada and the United States. In an exchange of notes within the past month, we have recorded formally our understanding of the need for integration of our air defence activities and our agreement on the principles, both military and political, on which the organization and operation of NORAD are based.

For the past two decades the cooperation of Canada and the United States in the field of continental defence has grown ever more intimate. Even prior to the formation of NORAD there was close cooperation between the air defence forces of Canada and the United States arising out of the recognition that the air defence of the two countries had to be thought of as a single problem. Recent technological developments made it obvious to the two governments that coordination of national plans was no longer adequate. It is a truism that our generation has witnessed a shrinking of the globe in our ever-increased ability to reduce the time required to go by air from continent to continent. Normally, we think of these developments as being most desirable. We must not, however, forget their implications for the defences which we must construct against the possibility of a surprise nuclear attack. We must, therefore, have in existence in peacetime an organization which, in the face of surprise attack, could immediately take defensive action over our own territories in accordance with a single air defence plan which had already been approved by the two governments.

The establishment of integrated defence arrangements between the United States and Canada increases the importance of consultation between the two governments on all matters affecting joint defence.

This continuing process of consultation is not new. Once again, however, in the course of our discussions on the exchange of notes, both countries recognized that their defence cooperation can be worked out on a mutually satisfactory basis only if such consultation is regularly and consistently undertaken.

This further evolution in the essential collaboration of Canada and the United States in continental defence will assist in the maintenance and development of the individual and collective capacity of the two governments to fulfil their obligations under the Charter of the United Nations and NATO for the preservation of international peace and security.

On the extent of cooperation in matters along our boundary, I need not dwell at length. The mere fact that any difference of opinion is news indicates the measure of agreement which normally exists. An outstanding example of this harmony is the magnificent development of the power resources and the navigation facilities in the St. Lawrence River. As to the development of the Columbia River, I shall only say that there has been much misunderstanding of the respective positions taken by the two governments. The Canadian Government has not at any time announced a preference for one mode of development rather than any other. We have merely said that the best development of the resources should be made when pending reports of engineering and economic factors have been completed and assessed by governments.

I wish time would permit extended reference to the way in which common ultimate objectives have made possible daily co-operation in the conservation of our fishery resources, in utilization of water power, in scientific research, in providing gainful employment, and so on. Most of you, however, will have many practical examples in mind so that I need not elaborate.

In my attempt this evening to make a realistic appraisal of relationships between the United States and Canada I hope I have been able to make clear several rather simple conclusions.

In the first place, I suggest that there is no magic salve but that we must employ an intelligent and positive approach to each problem as it arises.

In the second place, there has been such a change in the world situation during the past twenty years and there has been such a vast change in the international responsibilities of the United States and Canada during that period of time that we must assess our problems in the light of the current situation and not seek refuge in panaceas of a bygone day.

In the third place, there has been a harmonious approach to what I have referred to as our border problems.

Fourthly, there has been some coordination in the field of foreign aid and a degree of cooperation in pursuing some common objectives in such other international economic institutions as the International Monetary Fund.

As a fifth point, there has been a most remarkable continuing close cooperation in political and military affairs which has resulted in a large measure of success in accomplishing our objectives.

I now add very briefly and tentatively a sixth comment. As I see it, in world political and military affairs there has been substantial agreement between us on objectives. There is close cooperation in coordinating measures for seeking to attain those objectives. Above all, there has been the voluntary acceptance of some measure of self-restraint, even of self-sacrifice, in order to attain our common objectives.

Self-restraint, self-sacrifice, self-discipline, these are hard words in our modern society. Nevertheless, I suggest that we should ponder them and seek to determine how much they have contributed to the success of our cooperation and friendship.

I venture to wonder whether some larger measure of self-restraint, self-sacrifice, and self-discipline might contribute toward a greater measure of success in agreeing upon common objectives in trade and economic matters and in attaining those agreed upon objectives.

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GOVERNMENT



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

58/23

THE SURVIVAL OF FREEDOM

An address delivered by Prime Minister
John G. Diefenbaker at Bishop's University,
Lennoxville, Quebec, June 14, 1958

The life of this university spans the history of Canada from its small beginnings in 1843, and it has been, from the days of its small beginnings, one of Canada's centres of light and learning. According to the intention of its founders, Bishop's was to have two functions: "to offer to the country at large the blessing of a sound and liberal education upon reasonable terms", and to provide training for future clergy.

Since the launching of Sputnik and other events recording Soviet achievement, we have been plunged into a renewed and sterner struggle between the liberal arts and sciences. The modern view is humourously expressed in a new version of Gilbert and Sullivan's epigram:

"Every boy and every girl that's born
into the world this year
Must be a little scientist or a little
engineer."

To meet the challenge of the tyranny of Communism does not mean that we must adopt the techniques of its tyranny.

Over-emphasis of scientific achievement and production at the expense of the spiritual things may achieve temporary advantages but will ultimately lead to the loss of freedom.

The danger to mankind's survival was anticipated with prophetic accuracy by the Right Honourable Herbert Asquith, one of the First War Prime Ministers of the United Kingdom, when, in 1920, he said:

"The experience of this war has made actual what was unimaginable before. But there are, or would be, if the old system were continued, two new factors at work. The first and most obvious is the unexplored and still incalculable effect of the harnessing of science to the chariot of destruction. We have seen

in these four years only the rudimentary application of methods and agencies unknown and undreamt of in the campaigns of the past. Science has in these matters not said her last word; she is still lisping the alphabet of annihilation. If she is to be diverted for another 20 years into the further elaboration of the mechanism and chemistry of destruction, we may as well pray for the speediest possible return of the glacial epoch".

What would he have said today in this era of hydrogen bombs and atomic warheads and intercontinental missiles?

The alternative was stated by Theodore Roosevelt, in these words:

"Scholarship that consists in mere learning but finds no expression in production, may be of interest and value to the individual, just as ability to shoot well at clay pigeons may be of interest and value to him, but it ranks no higher unless it finds expression in achievement."

The happy medium of compromise without the sacrifice of principle provides the answer to this as to all democratic problems.

We live in an age of crisis - an age in which the final human catastrophe has become possible. We think of our world dilemma as unique, and certainly with our technology of destruction - with our nuclear and thermo-nuclear bombs and our missiles - it is unique. It was announced today that there will be a meeting of nuclear experts of the United States, Great Britain, France, the U.S.S.R., Czechoslovakia and Poland.

In the global nature of the struggle for men's minds it is unique. But apart from this technology of destruction and the shrinking of our once vast world to a single neighbourhood, is the threat to our civilization as unique as we tend to think? Other civilizations have been destroyed, to be superseded by dark ages in which resurgent barbarism enveloped the world. These civilizations fell, not to superior forces, but to inner contradictions and spiritual decadence. Incapable of a positive response, they first lost their soul, and then life itself.

An age of crisis is an age of challenge - a spiritual struggle for the minds of men. Challenge can instill in a person, in a nation, in a civilization, a sense of expectation, of hope, even of exaltation in the possibilities of new achievements of the human spirit. It can also instill despair, and if despair should triumph, that person, that nation, or that civilization, is lost.

The New World is far more complex and dangerous than any known before. The explosive population increase, accompanied by comparable revolutionary trends in world opinion, has unleashed forces that men may channel but not stem. These multiplying millions, with their pyramiding demands for a better life, are one result of our science and technology. At the same time, our technology offers greater hope than ever before of providing for the material welfare of mankind. But social, political and economic institutions have lagged behind so that our scientific achievements have not only enlarged our vistas and increased the heights to scale, but have deepened the depths of man's alternative fate.

When I was born there were only 1.5 billion people in the world. You graduates may live to see a world of 6 billion people, struggling not merely for subsistence, but for the material means for a better life. In the 19th century world population only doubled. In this century it may multiply by four. By 1980 Asia may contain more people than all the world in 1930. One must wonder whether our ideas and institutions for international co-operation are not tailored to the population pressures of an earlier age.

In the under-developed areas of Asia, Latin America, and Africa, 70% of the world's population lives. There a new idea is developing with revolutionary force -- the idea that all the peoples of the world should be able to benefit from technological change. The Soviet offer of material salvation adds urgency to the need of the adoption of measures now.

In an apparent endeavour to outflank the political and military defences of the free world, the Soviet Government has launched an all-out attack on the vulnerable and comparatively weakly defended economic front of the free world. Less than a month ago an eight-nation conference of the Warsaw Pact countries made its plans which are designed to extend political controls over needy countries.

The U.S.S.R., in changing its emphasis, demands counter-action on the part of the western nations. Counter-action requires not only the mobilization of western resources to assist under-developed countries but co-operative action to meet the Soviet trade offensive.

The uncommitted world is watching the comparative economic performance of the Communist and free worlds, judging which system provides the greatest economic progress and stability. Expanding trade could be the strongest weapon of the free world in the defence of freedom, but at the moment is the weakest.

The monetary reserves of most of the countries of the free world are inadequate to sustain expanding trade and economic growth. The supply of investment capital is quite inadequate

to sustain even a moderate rate of growth in the under-developed countries. All the western nations have at one time or other experienced extreme fluctuations in commodity prices and consequent economic instability, but the problems of Asia, Africa and South America, where 70% of the world's people live, are infinitely greater than our own.

Those and other related economic problems require the attention of those who realize the inter-dependence of the free world.

It is my conviction, and that conviction is now reinforced once more by the visit of Prime Minister Macmillan, that while in no way decrying the exceptional contribution that has been made by the United Nations and various world economic institutions, the Commonwealth, with its membership of so many races and colours in all parts of the world, has a vital role to play. My hope is that the Commonwealth Trade and Economic Conference will provide further means for the nations of the Commonwealth to make their contribution in meeting the strategic change in the course of Communism which has shifted from aggressive action to competition in the market places of the world.

The western nations are organized for and united in defence. The Soviets have laid down the gauntlet.

I believe too that the western nations, to maintain their independence, will have to adopt inter-dependent economic measures analogous to the united action which in defence has preserved the world from possible armed conflict.

The free world, with its vast resources of material potentialities, must unite in an economic policy for the under-developed areas in the world, so as to assure development and the raising of standards everywhere -- not only as a manifestation of the spiritual foundations of democracy, but as well to meet the challenge of Communism everywhere in the world where hungry and needy human beings will, unless action is taken, exchange their freedom for this and future generations for the material advantages of the present.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
(OTTAWA - CANADA)

No. 58/24

SALIENT FEATURES OF CANADIAN ECONOMY

Excerpts of an address by Mr. Donald Fleming,
Minister of Finance, to the Investment Dealers
Association of Canada, Murray Bay, Quebec,
June 19, 1958

... In my Budget Speech Tuesday evening (June 17) and in the White Paper which I tabled in the House of Commons on Monday I reviewed in detail the economic forces in operation during 1957 and the early months of 1958. Today I should confine the review to some of the more salient features.

ECONOMIC REVIEW

Some slow-down in economic activity was to be expected after the excessive pace of 1955 and 1956, a pace which was straining our resources of men and materials despite very large borrowing abroad.

The most important change which emerged during 1957 was the decline in the importance of business capital investment as a dynamic force in our economy, particularly investment in our resource industries. A somewhat larger decline in capital investment occurred in the United States.

Although business capital investment ended the year on a weaker note than it had begun, the reverse was true of housing. The expansion of housing investment had come to an end in the middle of 1956 when the keen competition for loan funds resulted in a shortage of mortgage money and brought about a decline in home-building. During 1957, however, the competition for loan funds became less active as the year progressed and, more important, in August and again in December government funds in a total amount of \$300 million were made available to augment the loan funds supplied by insurance companies, banks and other private lenders.

Government expenditures contributed to the maintenance of economic activity. At all three levels of government they rose by almost 7 per cent despite some decline in defence expenditures. Transfer payments especially rose rapidly and for the latter half of the year they were an important element in sustaining and increasing personal income and consumer demand. The largest elements in this increase were the greatly increased payments from the Unemployment Insurance Fund, larger payments to the aged, the blind and the disabled, larger veterans' allowances and pensions, and increased family allowances.

In 1956, and again in 1957, a substantial part of our investment programme was financed from abroad. The deficit on current account in 1957 amounted to \$1.4 billion. This deficit was financed to some extent by direct U.S. investment in Canada but sales of securities, as in the previous year, were the major source of external capital. A good part of the rapid rise in imports which took place in 1956 and early 1957 was the result of heavy imports of machinery, equipment and industrial materials connected with our capital programme. The importation of these items helped us to escape some of the pressures connected with the high level of domestic investment. The converse of this situation is that the decline in investment in machinery and equipment has fallen to a very considerable extent on imports which have shrunk markedly in the last few months.

I have reviewed the main changes in the strength of the underlying economic forces during 1957. The reduction of the pressures and demands which characterized 1956 led to a mood of greater caution with regard to new capital ventures and was reflected in a declining rate of increase in job opportunities. Despite these conditions, there were more people at work in each month of 1957 than in the comparable month a year earlier. The increases over the preceding year became smaller as the year progressed and in January, February and March of 1958 employment was slightly lower than a year earlier. However, by April 1958 employment was again higher than a year earlier.

To some extent the pressures generated in 1956 did not have their full effect on prices until 1957. Thus, the consumer price index, which began to rise in mid-1956, continued upward until last October, and experienced another short period of increase in the first four months of this year. Wholesale prices, on the other hand, reached a peak in January 1957, declined 1.4 per cent during the succeeding ten months, and have risen again moderately since November. The rise in consumer prices offset about half the increase in average wage rates so that advance in real income during the year was about 2 per cent.

In the absence of immediate inflationary pressures I would not expect any general increase in prices during the balance of 1958. But this is not something we can take for granted. It is the duty of all groups and classes in our society to ensure that the prospects for a sound recovery are not dimmed by a spiralling of costs or that efforts to stimulate recovery do not lend strength to a new inflation. Inflation remains a very real danger against which we must remain on guard.

I have dealt with some of the more significant economic trends which have developed over the past several months -- with the declining strength of business capital investment and with the consequences from an employment standpoint of the slackening of demand. The natural economic effects of these tendencies have been softened and reduced by government action on a number of fronts. I have already referred to the large amount of money made available for housing. In addition, in line with the government's intention to proceed with a comprehensive programme of national development and at the same time to alleviate current unemployment, a major programme of public works is now being implemented.

Additional financial assistance being given to the provinces will enable them to proceed with needed capital improvements in the provincial and municipal fields. Social security benefits have been substantially increased during the past year. Benefits under the Unemployment Insurance Act have been expanded. The Unemployment Assistance Act was amended so that the federal government now participates equally with each province in the cost of assistance to those not drawing unemployment insurance.

Taxes were lowered. The exemption for children receiving family allowances was raised from \$150 to \$250 and for other children from \$400 to \$500. There was as well a reduction in the rate of personal income tax. The special excise tax on automobiles was lowered by one-quarter and small businesses were benefited by an extension of the corporate income bracket subject to the 20 per cent tax rate from \$20,000 to \$25,000. The total reduction in taxes amounted to \$178 million in a full year.

Monetary policy also changed in the latter part of 1957. The money supply was expanded rapidly after mid-August, and partly for this reason and partly because of a reduction of demand in certain credit fields, monetary conditions in Canada generally became easier and interest rates declined substantially. Banks have now for some time been in a position to meet all credit-worthy demands for commercial and personal loans. Market rates of interest in almost all categories of borrowing have declined substantially.

I can conclude this analysis of our economic situation by saying that there are hopeful signs that we have reached the end of the recent decline. Moreover, the problem has moved more clearly into the domestic field. Although the influence of external demand was important as one of the origins of the current adjustment, the direct effect of the decline in certain basic exports has been less significant than the indirect effects on business capital investment. Now that capacity in a number of industries has overtaken or exceeded current demand it seems obvious that relatively less of our energies will for a time be directed to creating new capital facilities in the business sector. As a result we shall be able to devote more of our energies to filling some of the gaps which have developed over the last few years in housing, in municipal services and in other requirements for social capital in Canada, and in laying the basic foundations for the new period of business expansion which will not be long delayed. The policies of this government are assisting the growth in housing and social capital. The expanded role of social capital is illustrated in the 1958 Outlook for Private and Public Investment published by my colleague the Minister of Trade and Commerce. Present investment intentions of business for capital outlays in 1958 are about 11 per cent below the 1957 level. Planned outlays for housing, government departments and institutional services on the other hand are 14 per cent higher.

With all these factors in mind and with due regard for the resourcefulness of the Canadian people and the government's determination, I had no hesitation in budgeting on the basis of a resumption this year of the rise in incomes and production. Assuming normal crops, stable prices and no untoward external events, I based my revenue forecast on a gross national product of \$32 billion, which is about 2 per cent above the record level in 1957.

GOVERNMENT FINANCIAL OPERATIONS 1957-58

Subject to final check when the books for the year have been closed, our revenues for the fiscal year which ended on March 31, 1958, were \$5,047 million, our expenditures were \$5,086 million and there was a deficit for the year of \$39 million. The decrease in revenues of \$97 million as compared with the forecast is less than 2 per cent. The expenditures were only \$21 million or less than one-half of one per cent higher than I had forecast last December. I can assure you that we are endeavouring to exercise the closest possible control over our financial operations as these figures well demonstrate.

In addition to our budget outlays, we met substantial non-budgetary obligations. All were financed without any increase in the government's outstanding unmatured debt, by reducing our cash balances by \$163 million.

Our public debt operations during 1957-58 included the redemption and refinancing of a very large volume of government securities. Net sales of Canada Savings Bond Series 12 amounted to \$1,177 million and other new securities amounting to \$1,350 million were issued, in addition to the refunding of treasury bills which matured weekly. During the fiscal year outstanding securities amounting to the very large sum of \$2,650 million, including \$1,050 million of previous Canada Savings Bond issues, were redeemed. After taking into account the net sales of securities amounting to \$123 million from our securities investment and sinking fund accounts the unmatured debt held outside these government accounts was almost exactly the same at the end of the fiscal year as it was at the beginning.

During the first five months of the fiscal year interest rates generally as in the previous period continued to rise, reaching a peak in August. Thereafter the rates began to fall and this downward trend continued to the end of the fiscal year. The average interest rate paid on the government's unmatured debt was 2.98 per cent at the end of the fiscal year compared with 3.05 per cent at the beginning of the year. Treasury bill rates reflected a similar but more pronounced trend. The yield on the first issue in the fiscal year was 3.69 per cent. In August the yield rose to a high of 4.08 per cent, falling thereafter to a low of 2.27 per cent on the last issue of the fiscal year, and the most recent issue was at 1.76 per cent.

GOVERNMENT FINANCING 1958-59

For the new fiscal year which commenced on April 1st, I have estimated our budgetary expenditures at approximately \$5,300 million, which is \$215 million higher than our expenditures last year.

Admittedly this is a substantial increase but it includes all the new expenditures on health and welfare introduced by this government such as the increase in old age pensions and veterans' benefits and the initial cost of hospital insurance. It also includes large expenditures for national development which will improve our productive capacity and efficiency and in due course add to our collective wealth and income.

Furthermore, all these expenditures to which I am referring, by providing employment and sustaining private incomes, will help to maintain the level of the national income during this temporary period when export demand for certain of our staple products has been softening and during the pause which this has caused in some sectors of capital investment.

I emphasize that with respect to all government expenditure we shall continue to search for economies and to eradicate inefficiency, waste and extravagance wherever we find them.

The forecasting of revenue expectations in times like these presents an even more difficult problem than estimating expenditure. My forecast after the further reductions in taxation made by the budget is that our total revenues will amount to \$4,652 million, which is \$395 million less than our revenues in the previous fiscal year. I should point out that of this reduction more than one-half is the result of tax reductions made last year, and less than half is due to a decline in our tax base. Almost all of this decline is the result of a reduction in corporation profits.

The estimated budgetary deficit is, therefore, \$648 million. In addition to this sum we must take account of our large cash requirements outside the budgetary figures.

During the current year, 1958-59, we will require about \$400 million for housing loans, about \$250 million for the C.N.R.'s capital investment and refunding programmes, nearly \$250 million of cash advances to the St. Lawrence Seaway, the Northern Ontario Pipe Line and to other Crown companies and agencies; and other non-budgetary cash requirements, including the liquidation of the defence equipment account, will be about another \$240 million.

Against this we shall have available in this fiscal year some \$50 million in our securities investment account, about \$65 million from the repayment of loans made in earlier years, and we can expect to receive not about \$240 million of cash into our various annuity and superannuation accounts.

The net requirement of cash for these non-budgetary transactions, excluding the exchange fund account, is thus about \$775 million, and this we shall need to borrow. We shall also need to borrow the funds to cover our budgetary deficit of \$640 million, and our net new cash requirements in this fiscal year will therefore be of the order of \$1,400 million.

In addition to this, some \$1,950 million of our marketable funded debt will be maturing during this fiscal year, and these maturing securities will require to be paid off by an equivalent amount of new borrowing. In other words, during this fiscal year we shall need to sell bonds or other securities in a total amount of close to \$3,400 million. This is a major financial operation and will require the closest co-operation between the Department of Finance, the Bank of Canada, the chartered banks, and all investment institutions and dealers.

We have already made a good beginning. Since April 1st we have sold issues totalling \$950 million, of which \$350 million was new cash. We still have before us the need to refund \$1,350 million of maturing bonds and to raise more than \$1,000 million of new cash.

We shall be making every effort to promote a good sale of Canada Savings Bonds next autumn, but whatever net new cash we obtain from that source will still leave us with a very large financing task.

This is an appropriate time to review the principles which should be observed in the development of a large programme of public financing by the government. Perhaps the most important general objective was referred to in the Speech from the Throne on May 12th as follows:

"My Ministers remain mindful of the importance of financing their large programme of expenditures in such manner as will best safeguard against the recurrence of inflationary dangers in future."

This means that we must to the greatest feasible extent seek to raise the funds from private investors, both institutional and individual, and hold to a minimum the amount of financing done through the banking system, particularly where this is associated with over-all monetary expansion.

Obviously the government must plan its bond issues in such a way as to make the maximum appeal to investors and must in so doing take account of the desire and needs of investors and of the general psychology of the investing public. This means that there must be a considerable proportion of medium-term and long-term bonds in any debt management programme as well as an appropriate amount of short-term securities.

From the point of view of the government also it is very desirable to achieve a well-balanced maturity distribution in our public debt. Excluding Canada Savings Bonds which are redeemable on demand, the average term to maturity of our funded debt measured from today is $5\frac{3}{4}$ years;

ten years ago the average term was $8\frac{3}{4}$ years; twenty years ago it was $10\frac{1}{2}$ years. If, for example, all maturing bond issues were refunded over the next five years for a consistent term to maturity of, say, only three years, then at the end of the five year period the average term of the outstanding debt would have shrunk to $3\frac{1}{2}$ years. If this steady trend towards a shortening average term is maintained, we shall soon be confronted with progressively larger and more frequent refundings which could impair the efficient operation of both the new issue market and secondary markets. Therefore, I hold the view that we should seize opportunities to create new long-term issues whenever these opportunities occur. I recognize that the large-scale placement of long-term bonds has been more difficult than money market operations in recent years for a wide variety of reasons but we must not shy away from a desirable course simply because it is a difficult course to follow.

Before considering further the programme of issuing marketable securities I should like to remind you of the importance of the Canada Savings Bond programme. As I indicated in my Budget Speech, there will be another issue of Canada Savings Bonds this autumn, which will be Series No. 13. This I trust is not an ill-omened figure, but on the contrary will inspire us to strong endeavours to make this the most successful issue ever made, particularly in terms of the amount of new money raised over and above the sums required to provide for the year's volume of redemptions of previous issues. You will recall that sales of the last Series reached the record total of \$1,217 million or \$317 million more than the previous record which was established in 1953. Even though as much as half of this record sale may have consisted of conversion by investors of part of their holdings of earlier series, it was nonetheless a tremendous merchandising feat to obtain applications from 1,293,000 Canadians. Investment dealers and banks alike deserve full credit for this achievement.

Turning now to consideration of marketable securities, it will be apparent that the Government will have to come to market with large scale offerings approximately every three months. We shall continue to provide a broad range of choice to investors as we did on the last occasion. The terms of new issues will be tailored to attract participation by all types of investors. To develop the full potential of any market, even the best merchandise must be sold. Within reasonable limits we wish to take any and every step that will improve our sales organization and sales promotion.

Government policy regarding the management of the public debt cannot follow any rigid formula; it must be adapted to economic conditions and to market requirements. While I do not propose to place an undue burden on the

the longer term bond market, it is most desirable to keep our maturing debt reasonably spread out over the years. To refinance maturing issues chiefly in the short term market would only build up greater difficulties for ourselves two or three years hence. It will be our aim to offer acceptable volumes of longer term bonds whenever suitable opportunities occur, and to spread the remainder sensibly between short and mid-term maturities.

While the prospective increase in our debt will be quite substantial during the next year or two, the net burden of the public debt will remain well below what we carried quite easily only a few years ago. While our net debt at the end of this year is higher than it was at any time during the past ten years, its burden while measured as a percentage of our gross national product will be significantly lower than it was three years ago.

The raising of a total of approximately \$3,400 million by the sale of bonds or other securities is indeed a formidable undertaking. We hope to do it without causing an undue strain upon the financial resources of the Canadian investment market and with due consideration of the needs of provinces, municipalities and business in the same market. Moreover, the policy of the government has naturally been to seek to do its financing at the most favourable interest rates. In short, in the light of all these factors we shall need the fullest possible co-operation on the part of investment institutions and dealers, and I appeal to your patriotism as well as your good business sense in seeking your co-operation in this task.

Together we shall be offering to the Canadian people the best security in the world -- an opportunity to invest in Canada.

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No. 58/25

TELECOMMUNICATIONS AND ECONOMIC GROWTH

An Address by Mr. J.R. Baldwin, Deputy Minister of Transport, to the Radio-Electronics-Television Manufacturers Association of Canada, Bigwin Inn, Lake of Bays, Muskoka, Ontario, June 20, 1958.

Telecommunications is a relatively new word in our vocabulary and although widely used today is not always fully understood by the general public. It covers not only the transfer of intelligence by telegraph and telephone, but also sound and video broadcasting, radio aids to navigation, electronic surveying, remote control, telemetering and a host of other special electronic and electrical services.

The past fifty years have witnessed a tremendous growth in telecommunications in all parts of the world. With the challenge of a large area and a small widely dispersed population, Canada has been in the forefront in this growth and today our telegraph, telephone, broadcasting and radio navigation systems rank with the finest in the world.

Fifty years ago telegraph service in Canada was limited to the handling of messages between the major towns and cities. This service has grown until it covers all developed parts of our country and provides teletype, telephoto, facsimile and other forms of wire communications.

Similarly, our telephone system in 1908 was still in embryonic state. Today all major communities in Canada have telephone service available to them.

In 1908 we had a total of twenty-four radio stations engaged solely in the provision of radiotelegraph service to ships. Today, we have in the neighbourhood of fifty thousand stations performing a multitude of services ranging from simple units to the most complex aeronautical navigational aids.

The first sound broadcasting in Canada took place when the Marconi Wireless Telegraph Company of Canada was authorized

to transmit programmes on an experimental basis during the latter part of 1918. The first television stations in Canada were established in Montreal and Toronto in 1952. Today, in Canada, we have a total of 327 sound and television broadcasting stations. These stations are linked together by wire and microwave facilities provided by the telegraph and telephone companies, making possible the simultaneous broadcast of sound and television programmes in virtually all settled parts of the country.

The development of telecommunications in Canada has been a joint effort by Government and by private industry.

In the field of public communications, for examples the accomplishments of the railways, the member companies of the Telephone Association of Canada and the Canadian Overseas Telecommunication Corporation have been outstanding. The Railways and the Telephone Association, each in their own way, have provided an integrated country-wide system, which has done much to bring our people closer together and to overcome any narrow regionalism.

Both the Railways and the Telephone Association were quick to realize the advantages of microwave for long-haul, high capacity circuits and so today have the Trans-Canada Telephone Microwave System spanning our country from coast to coast and the Joint Railway System serving south-western Ontario and the area between Montreal and the eastern seaboard.

In keeping with Canada's development, the government-owned Canadian Overseas Telecommunication Corporation has reduced our dependence on foreign-owned international communication systems by establishing Canadian-owned facilities such as radiotelephone and radiotelegraph circuits to various countries; and by sharing in the ownership of the Trans-Atlantic Telephone cable and its connecting microwave system.

Canadians have every reason to be proud of their country's progress in the establishment of television services. We have been matched by few countries. If this growth continues, the shortage of VHF channels may soon require us to face up to the problems of ultra high frequency operation in some areas. Because of our vast area and long distances between communities, satellite television stations are finding a useful role.

Although the growth of television in Canada has been spectacular, sound broadcasting has not fallen by the wayside. It continues to enjoy profitable and active role in our society.

In addition to public communications and broadcasting there are a multitude of "special services", made up of a wide variety of operations in military, aviation, marine and industrial fields.

I will not attempt to outline progress in all of these special fields, but there are two in which I know you will be interested--Aviation and Marine, both of which may be classed as safety services.

Recent departmental activity in the field of aeronautical telecommunications includes Airway VOR and radar--improved air traffic control displays and data processing systems, meteorological facsimile and high speed data transfer and computation. We must also work towards improved air/ground communications in Northern Canada and on the longer overseas routes.

In the field of marine telecommunications, the Department is continuing its improvement of marine radio services and is studying the possibility of expanding radio traffic control to include certain canals, locks and other confined waters. The matter of authorizing operation of radiotelephone equipment by ships officers for bridge-to-bridge communication is also under consideration.

So far, I have outlined some comparisons between present day telecommunications and telecommunications of fifty years ago. During that fifty years Canada has come to full nationhood and her industrial growth has been phenomenal. Unquestionably telecommunications played an essential part in this growth and in many ways in the unprecedented expansion of our mining, lumbering, fishing and transportation industries.

Statistics show that the growth of telecommunications in Canada in recent years has exceeded that of most other industries. The designers and manufacturers of telecommunications equipment have reason to be proud of their part in this development and its aid to the growth of Canada.

Throughout this growth it has been necessary to relate the developments within our country with other countries of the world. International co-ordination of telecommunications is accomplished through the medium of the International Telecommunication Union, the United Nations Specialized Agency in the field of telecommunications. The International Telecommunication Union is one of the oldest international organization of governments and dates back to 1865 when it started as the Telegraph Union. Subsequently, its activities were broadened to cover the field of telephone communications and the field of radio.

Basically, the functions of the International Telecommunication Union are founded on the essential need for international co-operation in the field of telecommunications. Ninety-five countries including Canada hold membership in the Union and the decisions adopted by these countries set the pattern for the use of telecommunications throughout the world, while recognizing the sovereign right of each country to regulate its own telecommunications.

Canada is also a member of the International Civil Aviation Organization and subscribes to the Safety of Life at Sea Convention, both of which involve radio usage.

The International Civil Aviation Organization, through a number of Committees, deals with many phases of international aeronautical telecommunications including equipment standards and requirements, operational procedures and radio aids to air navigation, with the goal of standardization of aeronautical telecommunications facilities throughout the world, both air-borne and on land.

The Safety of Life at Sea Convention specifies what vessels are required to carry radio equipment for safety purposes and also indicates the type of radio apparatus to be carried by each class of vessel concerned. This also is of vital interest to Canada.

I have outlined the international aspects of telecommunications to emphasize the fact that the Department, in addition to coping with our international telecommunication problems, must also assist in solving world-wide telecommunication problems, yet must at the same time protect our national position with regard to use of radio frequencies.

We will have a heavy burden to carry in the international field during the next year or so. The International Telephone and Telegraph Consultative Committee Study Groups of the International Telecommunication Union will meet in Geneva early in September of this year followed by a Plenary Assembly. The International Radio Consultative Committee of the International Telecommunication Union is expected to meet in Los Angeles commencing in April of 1959.

A Radio Conference of the International Telecommunication Union is scheduled to be held in Geneva commencing in August of 1959 to revise regulations and will last approximately four months. A Plenipotentiary Conference of the International Telecommunication Union is to be held in Geneva commencing in October of 1959 and will last approximately two months.

We already have the benefit of advice and co-operation from your member companies and of the Canadian Radio Technical Planning Board in dealing with our domestic radio and radio frequency problems and we need your support and assistance in preparing for these international meetings.

We have established a Committee with several sub-committees for the purpose of reviewing radio frequencies and associated radio problems, for the guidance of delegates to the forthcoming conferences.

It is not always possible for us to assess, in detail, the requirements of industry and so, when our Committee has completed its study, we propose to obtain the views of industry. To

consult each interested company would be impossible. The most appropriate approach to this problem seems to be through the medium of the Canadian Radio Technical Planning Board and I would urge you to review your problems, think of the future of telecommunications in Canada--with particular emphasis on radio frequencies-- and have your representatives present them to the Canadian Radio Technical Planning Board for discussion with the Department so that they may be taken into consideration by our delegates.

These are our immediate problems--but what does the future hold for telecommunications? What more do we need in the line of public communications?

We are bound to see, I believe, the extension of telegraph and telephone service to remote areas as yet unserved, increased capacity on all communication systems to permit expansion of the private wire teletype and data processing services, and increased telephone cable capacity and intercity dialing on our telephone systems which will, of course, necessitate extension and expansion of existing microwave systems.

These things present a challenge not only to the communications companies but also to the telecommunications manufacturers who, in the final analysis, provide the tools of accomplishment.

As for broadcasting, colour television is, without question, the next forward step. Manufacturers have an important job in this field. Techniques must be evolved which will permit lowering colour television equipment costs. Once this is done, a fertile field will undoubtedly be opened up.

Dealing with the "special services", one of the most outstanding needs of aviation and marine users is an "area coverage" position fixing system suitable for short and long range navigation. This, of course, should be related to some international standardization and difficulties are anticipated in this regard.

At home we are approaching a point where the speed and density of air traffic will make it necessary to have faster and more accurate means of aircraft control. This need is already felt at the larger airports and is becoming a problem on most of the heavier travelled air lanes. Possibly, the answer lies in the establishment of some sort of centralized control where data processing equipment can be used to correlate information essential to the control of aircraft in flight. This could involve continuous position finding for all aircraft in a given area as well as their height, speed and direction of flight.

Strategically located radar stations might obtain this information and pass it by coaxial cable or microwave to computers at control centers for analysis and any necessary instruction to the aircraft.

There are many possible solutions to the problem but we have to make up our minds what to do. Industry and users can help by letting us have the benefit of their advice. Unrelated advice from multiple sources can be as bad as no advice at all and here again the Canadian Radio Technical Planning Board has already helped us by sorting out the advice of its members and by advising the Department in decisions of this kind.

The Department is not alone in facing problems of the future involving telecommunications. You, as manufacturers of the essential equipment, must also have an eye to the future, both short-term and long-term. The future health of the telecommunications industry depends on research, not only in the true and conventional sense, but equally in direct operational research to determine what the operational needs will be a few years from now and what techniques can be available to meet these needs. The faster the development in the telecommunications field, the further ahead we must look--in short, I suggest you look not only at what you can build and sell today, but also at what you may be called upon to do a few years from now,

The abilities of the telecommunications industry are continually improving. It does not seem to matter much what one tries to decide on today; someone cries, "hold, I have something better coming up"--and they always will have. Yet we cannot spend our time thinking where we would go if we ever got started. We must from time to time determine "turning points" and set up sign posts at which we must change direction. These sign posts are the decisions of the future. Decisions which we must ask you to help us to make.

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GOVERNMENT



OF CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 58/26

CANADA: FACING FRONTIERS

An address by Mr. Sidney E. Smith, Secretary of State for External Affairs, to the Biennial Conference of the Association of Canadian Clubs, Quebec City, June 21, 1958.

The presidential chair of this Association, which I have had the honour of occupying, has indeed been a comfortable one. Unlike most presidential positions, it is by nature essentially sedentary; the incumbent can share the elation of good talk and the joys of good companionship with few very arduous responsibilities to discharge; and such demands as the position may make are generally, as in the present circumstances, a pleasure to fulfill. Indeed, the constitution of our Association stipulates only that the President shall represent the Association, but living as we do under the influence of the special genius of the British Constitutional spirit, it is, I suppose, nigh inevitable that we should be governed in our proceedings not so much by the imperious demands of explicitly enunciated regulations as by the more gentle but perhaps more persuasive urgings of tradition. And regardless of what our "founding fathers" may have had in mind for the Association's presidents, custom and usage have come to require a presidential address on occasions such as this. Insofar as the President himself is concerned, this is probably a wise precedent; the pages of history have amply demonstrated that privilege without responsibility, is not, in the terminology of one school of historiography, a good thing. For a non-working member of the organization's staff silence corrupts, from which it follows by the inexorable laws of misquotation that absolute silence corrupts absolutely. The custom of a presidential address has evolved, I suspect, in response to much the same needs as are met by the human conscience and Her Majesty's Loyal Opposition. (I did not say human conscience or Her Majesty's Loyal Opposition). If it would not be entirely accurate to say that the custom keeps him on his toes, it brings him to his feet at least once in his two years of office.

Few associations in this country bring together, in their national conferences, such outstanding representation from the many communities - social, cultural, business and professional, and academic - of which the mosaic of our nationhood is constructed, and the honour of not only speaking for the Association as a whole, but also of speaking to it, is one for which I am deeply grateful. In this audience, there is a cross section, but not a cross-grained section, a microcosm, of the Canadian scene.

Since last I had occasion to speak for and to the Association two years ago in London, many changes have impressed themselves on our lives, and although the Association's presidential address then as now was and is being uttered by one and the same person, his designation has undergone a metamorphosis. In emerging from the chrysalis of academic politics to the flights of political affairs, the "Doctor" - and in my new capacity, I always hasten to add that it was honorary anyway - has become "Mister". Such distinguishing marks as I may have had among the ubiquitous and anonymous tribe of Smiths have thus disappeared. Sic transit gloria academica.

The political world, however, is not to be outdone by the academic in the cabal of prefixes and suffixes it permits its practitioners to add to their names, but in this connection I hasten to add that the "P.C." after my name which I acquired in exchange for the "Doctor" in front, does not before this audience stand for Progressive Conservative.

When last Autumn, I took up my present responsibilities, I was prepared - but not without reluctance - to retire from my present position in the Association and I so informed our National Director who after presenting my letter to a meeting of the National Executive, wrote to me as follows:-

"They wondered if you could possibly reconsider this and remain as President. (This could not too seriously embarrass those of us who are not Conservatives because they knew you were appointed President earlier!)"

This excerpt had, however, been corrected in ink by the hand of our Director. What was actually typed on the page read this way:

"This would not too seriously impress those of us who are not Conservatives...."

In any event, I trust that my decision to remain has neither impressed nor embarrassed, and that into my present participation in these proceedings, no one will read the dubious motive of attempted political subversion - a formidable task indeed and one which I would hesitate to undertake even prior to, let alone after a general election, in present company with its established reputation - and indeed, this is one of the objectives of the Association - for the encouragement of independent and well-informed opinion. Otherwise no man in public life would be invited to speak to a Canadian Club.

In promoting these objectives and in serving the Association in a hundred ways of which we the membership seldom are consciously aware, no one has made a greater contribution than our Director, Eric Morse, and I wish - and I know I do so with the unanimous endorsement of everyone here - to pay tribute to his achievements on behalf of the Association. The high standards which he has so ably maintained in our programmes and the Association's wise policy of emphasizing "quality", in the realization that "quantity" will then look after itself, are to be warmly commended. Above all, however, we are grateful for the efforts which he has made in ensuring that the Association in outlook and in ethos as well as in name, shall be one of Canadian Clubs. This, I firmly believe, is the paramount objective of our Association, and it is a purpose which we can and which we ought to serve, if indeed utilitarian justification need be sought. The encouragement of a renewed and vigorous sense of Canadianism is not a luxury for us, but an imperative requirement. I use the word "Canadianism" not in any narrow, jingoistic sense; there is and always has been a surfeit of rampant uncompromising nationalism crashing through the congress of the nations. I have in mind rather the special, and I think it is special - contribution which we, as Canadians can make, as a result of our own national experience, to the wider international community in which we participate voluntarily yet of necessity. The sort of Canadianism I have in mind is best described - if I may borrow a phrase - as our sense of identity, our awareness that we have essential values and ideals in common, that from our experience in meeting our problems has emerged a similarity of viewpoints and attitudes and perspectives and purposes. All of these are aspects of what I might refer to as the Canadian experience and it is the frontiers of that experience that I intend to explore.

Frontiers of course involve challenges and from meeting the challenges which nature, history and a variety of other factors have put into our lives, we have evolved common responses.

On our physical horizons, our geographical and geological frontiers, I do not propose to dwell at length. I observe however that we must be worthy stewards of the bounty with which a kindly Providence has endowed this country. We must not forget that the response to the challenge of a pioneer and rather inhospitable environment by our forefathers continues as a facet of our consciousness. They left us a noble heritage.

We are still ready to conquer frontiers; we are still exploring and prospecting them. There can be no doubt that our economic frontiers have had a profound effect on our development as a nation and that our achievements in mastering and exploiting our natural resources have been of foremost significance. But sometimes I think we become almost mesmerized with wonder when as we scan our record in terms of tons extracted, barrels filled, shares traded and box cars loaded. It is sobering to examine for a moment what history records of the civilization of ancient Greece. Although their techniques may not have been so developed as ours, I am sure that the Greeks were no less adept than we are in the practices of commercial accounting, yet who remembers the trade statistics of Athens in the days of Solon?

The economic frontier, it is salutary to recognize, is only one of many and a nation's achievements in pressing hard on the frontiers of human understanding, of wisdom, of culture - the frontiers of mind and spirit - are in the final analysis of a more lasting and profound significance. The frontiers of the world's economic development yield to the irresistible persuasion of new technology and scientific advances, but the frontiers of the mind and spirit require more subtle and more complex elements than bulldozers, diamond drills and sliderules for their enlargement.

My reference to the frontiers of mind and spirit is not of course unrelated to the venue of this Conference, for no city in Canada or indeed in North America knows better or has made a greater contribution to the expansion of our national horizons in this regard than the old City of Quebec, a city of pageantry, and bells and international commerce and quiet dreaming streets, a city with the triumph of achievement and the bitterness of disappointment written in its story. Indeed no Canadian can rest awhile in Quebec without emotion. This site attracted the earliest explorers. The blood of Indian, French, British and American was shed on this coveted soil. From here set forth the priest, voyageur, trader and adventurer, soldier and sailor. To all Canadians, Quebec is a splendid symbol. With its rugged natural ramparts and with its commanding view of the River, Canada's River, the arterial highway of our nation's history, Quebec bespeaks the qualities which have

inspired our countrymen's restless sense of adventure. At the same time, this city represents much more than that. Here was established the first centre of higher learning in North America, the first anchor point in the New World of the culture and civilization of the Old. Throughout its history, the University of Laval has cherished this heritage as a vital demonstration of the proposition that our cultural and spiritual frontiers extend far beyond the limits which nature has set.

As a scene of many conflicts, Quebec has been in a sense a crucible of our national experience. But from these conflicts we have learned the lesson of compromise. In the death of two men who, though opposed in immediate purpose, fell in upholding the honour of a trust, the symbol of service and sacrifice has been indelibly imprinted on our national consciousness.

More than a century later and almost a century ago, Quebec witnessed a gathering of bewhiskered Victorian gentlemen from the British North American Provinces and out of their deliberations issued the resolutions which became the British North America Act. I am confident that it was not mere accident which determined that Quebec should have been the birthplace of a design for a Confederation, conceived in the wise recognition that a unity in diversity could be achieved only by compromise and by mutual accommodation.

To me, this citadel City represents then a kind of embodiment and guardian of our cultural and spiritual frontiers and symbolizes those qualities of stability, tolerance and endurance which are integral factors in true Canadianism. At the same time, Quebec, through her busy waterfront, looks out on an international perspective of increasing complexity and danger.

In recent years - and this is a comparatively new development - the advent of Canada to middle power status has added a new dimension to our experience as a nation. We have assumed grave responsibilities in the field of foreign affairs. To the tasks we have undertaken, we bring I believe the special qualities and characteristics which we have developed in our national evolution. In moving up on this new frontier, we have attempted to contribute, in a sense, a national policy to international problems and in so doing to represent the views of the Canadian people in the shaping of a world order.

For Canadians, this new challenge is a many-sided one: the frontier extends out in many directions, embracing the United Nations, the North Atlantic Treaty Organization, the Commonwealth of Nations and the United States. With each of these groupings we have relationships of a special character and to all and to each, I reiterate, we bring something of those special qualities which I have referred to as Canadianism. Into the amalgam of our foreign policy have gone something of our history, something of the ideals and values we hold in common with others, something of the irrevocable demands which geography imposes on us and above all, something of the talents which we have developed for stability, tolerance, endurance compounded with compromise and adaptation. We know that flexibility is not a spineless posture and that open mindedness does not necessarily mean an empty mind through which the winds of indifference or cynicism blow unimpeded. Rather, these qualities for Canadians bespeak a willingness to listen to "the other guy", and an attempt to take his point of view into account even if we do not accept it.

Compromise is not a naughty word: it does not involve a lack of moral standards. The reconciliation of opposing viewpoints for reaching a position on which all can agree, is of course not an easy task; it is long and laborious, it is often a tedious endeavour and more often than not a frustrating one. But in these days, not of alternatives, but of THE terrible alternative, it is an imperative course of action, and one from which we can never back away in dismay or a sense of futility. It is an honourable and constructive role that we seek to play in opening new avenues of approach to, and new perspectives on, this challenging frontier. Our way is the way of the explorer and the frontiersman (although I hesitate to press this metaphor further lest members of the Department of External Affairs become convinced that I am advocating a substitution of the coon skin hat of Davey Crockett for the more formal attire which has become their trademark). We must, like the explorers whose names figure so brilliantly in our history, anticipate new routes, new lands, new peaks, whether the latter have the dramatic appeal of a distant summit, or the lower attraction of the foothills. At the same time, we must chart our onward course with care, never losing sight of the fixed landmarks by which we steer and the hinterland from which we have come. On this frontier, we can never allow ourselves to be like the lamentable individual who knows not where he has been, neither does he understand where he is at, nor envisage where he is going.

The formulation of a democratic foreign policy is thus a complicated task, and one which demands above all for its effective execution, an informed public opinion which is alive to the issues involved and aware of the ends our policies on this frontier are designed to serve.

In the cultivation of such a level of public opinion, in developing the wide popular base on which foreign policy of a democracy must rest, I can think of no more suitably constituted forums than the Canadians Clubs. In speaking to the last Biennial Conference in London in 1956, I said that the Canadian Clubs, throughout their history, had been talking clubs, and I hope that they will continue to be just that, for the type of talk we value is not chatter, but informed talk leading to thought and then to intelligent action. This pattern has, of course, a relevance for all the frontiers of our national experience, be they economic, cultural or intellectual. I pray, however, that I may be forgiven for universalizing my own concerns, if I propose that this pattern has a special relevance for the international frontier, where the need for an awareness of the problems on the part of the people as well as on the part of the diplomatic pick and shovel gangs, has never been greater.

To the opening and expansion of this relatively new frontier in our experience the Association of Canadian Clubs can - and, I am confident, will - make as great a contribution as they have in developing other phases of the sense of Canadianism which we seek to promote.

For Canadians, as for all who respond to the challenges of an unknown land beyond the frontier whether it be geographical or the uncharted regions of human understanding or in the swamps or the mountain ranges of international affairs, the attitude which we must nurture for our action and our course of progress is curiosity. "Where there is much desire to learn" and I quote from the Areopagitica - "there of necessity will be much arguing, much writing, many opinions; for opinion in good men is but knowledge in the making". With the addition of the words "many meetings and speeches", I think that this piece of Miltonian prose might well serve as a motto for the Association, pointing as it does to the essential relationship between the form of our modus operandi and the objectives which we seek to promote throughout and through Canada.

I have spoken of the objectives of our Association in terms of the development of a vital sense of Canadianism, and of expanding the horizons of our experience as Canadians, in rather general terms but while I am still on my presidential feet, I wish to move in the manner of Euclidian deduction from the general to the specific and to explore for a moment something which will be a milestone of the past, and a frontier for the present.

I have in mind the Centenary of Confederation. It is appropriate to discuss this with you in a city which has figured so prominently in the achievements which this milestone represents.

On July 1, 1967 Canada will become a centenarian - a venerable age surely for a nation which has tended to think of itself only too frequently as a gawky adolescent. On that day Canadians will celebrate the hundredth anniversary of the proclamation of the British North America Act and Canadians everywhere will mark this occasion, as they did in 1867, with festivities and the observances which befit an occasion of national rejoicing. I express the hope, however, that we will express our feelings in something more than band concerts, parades and fireworks, because an anniversary of this importance warrants I suggest something more than a big party with cake and streamers and noisemakers. Before I am branded an extreme Puritan, I hasten to express the hope that we will have these accoutrements of sober revelry, and that we will approach this event in a spirit of celebration. At the same time, an anniversary - and this one in particular - is a time for reassessment, a time for looking back with a critical eye, and forward in a constructive cast of mind.

In preparing for this great event, I forecast a significant part which the Canadian Clubs can - and I hope - will play. It is not too soon - I repeat, it is not too soon - to begin forthwith planning a programme not just for the anniversary year but for the years leading up to it. Let us now start on assessments and forecasts of past and future progress which must accompany such celebrations by a thoughtful people. Janus-like, we must look in both directions at once and our task is twofold in nature: we must be both historians and prospectors in making our plans. Studies prepared now, and discussions engaged in prior to the event can have for their aim the enhancement of our historical appreciation of the frontiers of the past, the thoughtful survey of the frontiers of our present and the prophetic shaping of our future.

May I stress again that I would lay a special emphasis on the horizons of the mind and spirit, as the key to understanding a nation's development. Psychology claims that it can open up new perspectives in understanding the individual mind, and the technical sciences can and are opening up new frontiers in the natural resources.

But the evolution of a nation, as a nation, is something more than the unfolding of a Freudian pattern in an individual just as it is something more than an accumulation of economic data, tables, charts and

statistics. To understand this evolution and to encourage it in a positive fashion, is to delve into the realm of the human spirit - and I use the word regardless of the contention of some modern philosophy, which throws out not just baby and bathwater but bathtub to boot - I use the word without hesitation or apology. We must draw more deeply on transcendant sources of religion for the better realization of the power of faith and a deeper understanding of God's purpose. Thus one can comprehend and translate into action more fully the healing theme of the Fatherhood of God and the Brotherhood of man.

We need the independent spirit limited only by the prescriptions of noble purpose to push back our frontiers, we must encourage and stimulate that spirit, we must better identify its purpose. In this process the Canadian Clubs can take a leading part. Their name and their charter make it incumbent upon them to do so.

In thought, faith;
In word, wisdom;
In deed, courage;
In life, service;
So may Canada be great.

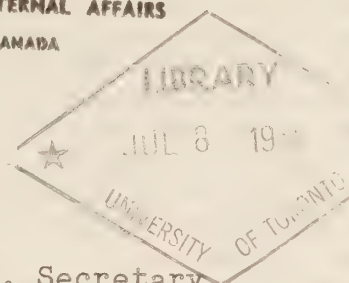
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STATEMENTS AND SPEECHES

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No. 58/27

FENCES

Speech by Mr. Sidney E. Smith, Secretary
of State for External Affairs, at the
Kiwanis International Convention, Chicago,
June 30, 1958.

Oftentimes as I ponder matters concerning relations between the United States and Canada my mind turns to a favourite poem by Robert Frost, which tells of a fence which has to be repaired at spring mending time, and the poet says:

"I let my neighbour know beyond the hill;
And on a day we meet to walk the line
And set the wall between us once again."

You notice how the poet thinks of a fence which is jointly maintained by neighbours in friendly co-operation. Later the poet goes on to tell us that the neighbour has kept and respected his father's saying, "Good fences make good neighbours."

My picture of this fence shows it as built of carefully placed stones - a friendly appearing fence. On each side stands one of the neighbours on his own property, with a friendly hand extended across the fence. But neither neighbour, as I see it, would ever be sitting on the fence, either literally or figuratively. There is no place for someone who is a fence-sitter, someone who seeks to evade responsibility and to avoid facing life squarely and on his own two feet.

As the poet has done, I like to ponder whether good fences make good neighbours. It seems to me so much depends upon the neighbours: so much depends on the kind of fence. If they are unneighbourly neighbours, a fence separates them. If they are friendly neighbours, the fence becomes a meeting place where they can come and talk about their common interests and their common problems. The fence avoids arguments because it delineates where one man's property ends and the other's begins, and so there is that certainty and security in their relations which prevents the arguments and unpleasantries which otherwise might ensue. The fence permits to each a certain measure of privacy.

There are certain matters which belong peculiarly to each - not better and not worse than those of his neighbour, but different and distinctive. I suppose in many ways the characteristic of democracy is the right to be ourselves and, at the same time, to be different from our friends and neighbours. Under totalitarian philosophy each should be made from the same mould, bear the identical impress, have no distinctive characteristics of his own and no privacy. So I think that fences can be a symbol of some of the best things - things which we most cherish. As we talk about our two great countries, I would like you to picture with me this long borderline fence which forms the meeting point for good friends and neighbours as the nice country stone fence of the poet and not the high board spite fence of which we hear on other continents. The length of our friendly fence is not 4,000 miles of undefended border as often stated by orators. It is 3,987 miles, not including a distance of some 1,540 miles with Alaska.

There is one important thing to remember about the fence between Canada and the United States. It is a very low fence and it has many gates. Because it is not defended by watchdogs any more fierce than Customs and Immigration officers it has been possible, I find, for a whole horde of Canadian Kiwanians to descend upon Chicago to attend your meetings this week.

There is a very close association between the Department of External Affairs and Kiwanis International. Every year during April you celebrate "Goodwill Week" and it is our pleasure and opportunity to join with you at many of your clubs on these occasions. Indeed it is only a couple of months ago that I met with our Ambassador in Washington and Consuls from our various posts in the United States and discussed such problems as how, with our small numbers of staff, we could possibly cope with the large number of attractive invitations offered to us to celebrate "Goodwill Week". With several thousand Kiwanis clubs in the United States, it just is not possible for some thirty or forty officers to visit them all at the same time. A practical solution, of course, has in many instances been worked out by providing some of the productions of our National Film Board, of which we are very proud, and which help present Canada in beautiful and true colour. As a concrete suggestion, may I say that where co-ordination of requests has taken place within a district and it has been presented by the Lieutenant-Governor's office, it has cut down considerably on our administrative work and also, I believe, made it easier for us to meet your requests. I feel sure I am speaking for the United States Ambassador in Canada and his Consuls when I suggest that clubs in Canada give similar consideration to the practical aspects of the implementation of your praiseworthy annual "Goodwill Week".

Like the god Janus, Kiwanians have the capacity to look two ways at once!

I note that your convention theme this year is "Dedicated Community Service". It would be superfluous for me to comment on the remarkable success that you have already had in your endeavours to help your respective communities. I know your President has reviewed your achievements in his speech yesterday and that you are discussing these matters in your workshop meetings.

Closer, however, to my own personal responsibility is the other Kiwanian outlook - the one in which you look beyond the borders of your immediate community into possibilities of service to your state or province - beyond that again to areas of service to your nation, and then to the whole prospect of service to the cause of international goodwill, with more particular attention being paid to relations between the United States and Canada. Goodwill is not a sterile commodity. If you try to lock it up in a vault it withers and dies. By its very nature goodwill must grow and expand. Goodwill must have an objective toward which it is directed. So it is that goodwill among Kiwanis of its very nature leads you to look ever outward. I noticed in the Kiwanis magazine of several months ago that you described this convention as "a forum wherein Kiwanis examines its relationship to the community, the nation and the world". I assure you that no statement of objective could more endear you to one in my position than such a simple and direct formula as that.

It is of the very essence of our democracy that individuals should group themselves together in a voluntary organization such as Kiwanis in order to accomplish as a group what could not be done as individuals. You seek no government grant, no special privilege. Your views are not dictated by government. Your programmes are not in any way supervised by government. This heritage is far too often taken for granted because we do not see at close range the alternative to it. The strength of any government can be gauged by the strength of voluntary organizations in the nation. Individual members may put forward proposals and, as everywhere in a democracy, each of us enjoys the right to be wrong. As a matter of fact, I am sure that all of you will agree with me that in seeking the truth there are usually three sides - yours, mine and the actual truth. Indeed, in many voluntary organizations, although probably not in any of your branches, one can find the five-H man: you know, the man of whom all others say: "Heck, how he hates himself." Yet, all these people, whether they are right or wrong, or whether you or I agree with them, are permitted to put forward their views, which can then be examined on their merits, and each of us then is at liberty to come to our own conclusions. Out of your consideration of what is most important to you and what as Kiwanians you should do, may I again say how pleased I am that you have chosen to examine your relationship to the community, the nation and the world.

All of you are busy with your own problems of making a living, looking after your family and seeking to perform your responsibility as Kiwanians in performing some public service. I wonder if you have had an opportunity to picture the problems of government as being somewhat similar to those which you face in the allocation of your time. Government also has to look Janus-like in two directions at once. The more immediate and pressing responsibilities are bound to be those which have to do with local domestic interests. As a Member of Parliament it is my responsibility to look after the particular needs of my constituency. No matter how insignificant a particular project may appear by comparison with the most recent Soviet initiative, the interests of Canadians are, and must always be, my primary concern as Minister. But as with you, it is necessary for the government to look beyond the borders of its immediate community and somehow to reconcile its family or national interests with its international obligations. Mr. Dulles recently wrote: "We do not forget that every government has a primary duty to serve its own people. But usually that service can be best rendered by finding ways which help others also, or which at least do not hurt others". I have no doubt that you, from time to time, find that there is some conflict between your obligations and loyalties to your families and your duty to your community. Nevertheless, you must somehow or other reconcile the two, unless you are to become either a hermit on the one hand or be hauled into court for neglecting your family on the other. That is why you are Kiwanians - because you have the conviction that a full and useful life demands the reconciliation of your two loyalties.

You are the same person whether you are seen as head of the family (both husband and wife may take a bow with respect to this), or whether you are the person who is active in community work, or as one who serves his national interest. Indeed, the nation is made up of individuals who collectively create foreign policy. As an individual you may think you have very little influence in such affairs, yet if you look at it carefully it becomes obvious that unless you relinquish entirely your interest in public affairs (and as a Kiwanian you cannot do that), then you will have some small part in forming the foreign policy of your government. This being the case, you cannot shirk responsibility. I would not expect you to do that. Just as you have had to reconcile your family obligations with your community duty, so, somehow or other, you have to reconcile your national interests with the objectives of your foreign policy. If you fail to do this, the most obvious result will be schizophrenia.

It is very difficult for any of us to avoid being prejudiced on any question that arises. It is natural enough that each has his own point of view, conditioned by his past experience, his environment and his knowledge. One type of

prejudice, however, we can and should avoid. It is the prejudice which has been described as being "down on what you are not up on" - the prejudice arising from ignorance.

What objectives of foreign policy have we then? Some people would probably consider this a difficult question and one requiring a great deal of intricate and involved thinking. I would not agree. It seems to me that the answer which you would quickly give is simple and straightforward. Canadians and Americans alike basically seek two things: peace and prosperity. Do these objectives seem trite? I can only repeat the wisdom of a bygone day: "The new is not true, and the true is not new." Peace and prosperity.

The statement of our objectives is easy. The accomplishment of them is fraught with great difficulty. Indeed, the wisest of men and women have not been able to resolve the problem of how we achieve our objective. They have not been able to agree among themselves as to the best means of seeking their attainment. I suggest to you that the means by which each of us seeks to attain these objectives need not be identical. Quickly, however, I add that the means we use to seek our objectives must always be consistent with the objectives themselves. However, now and again someone with the best of intentions tells us to fight fire with fire. In the short run, such means may seem to be successful, but I urge you to question whether it can ever be adequate in the long run. So it is that the means whereby the peoples of the United States and Canada seek to achieve peace internationally have to a large degree coincided. We together have made use of the large machinery of the United Nations and of NATO and in these two organizations each has played its full part, and we may say with pride that we have had success in very large measure. Beyond these two organizations we in Canada have perhaps placed the accent upon our ability to be of assistance in maintaining peace through policing tense areas where we have provided personnel in Kashmir, in the Middle East, and the Indochinese states. The United States, on the other hand, as a great power, has assisted in keeping peace by entering into a series of alliances throughout the world. Once again, we joined together to overcome what might have been a more serious threat to the peace of the world in Korea. Together, today, we co-operate in the air defence of North America to protect the main deterrent to Soviet aggression and thereby we save not merely ourselves and our NATO allies but, indeed, the whole world from the fear of imminent danger.

What of our common objective, prosperity? We of course believe in the private enterprise system. At the same time we have to realize that in present-day circumstances the free play of the market has been greatly interfered with by governments. Taxes, subsidies, tariffs, quotas, labour legislation, social legislation of all kinds, provision of public works - all these have an effect upon costs of doing business and upon the freedom

of movement of goods. Accordingly, the government today has some responsibility to redress the effects of such measures as these and endeavour to provide for the two elements which we earlier agreed must exist together in our thinking. We must look after our own local community welfare and at the same time we must look abroad beyond the confines of our national borders to ensure that our prosperity is shared with our friends. Yes, we agree that I must be my brother's keeper, but the question always arises, "And who is my brother?" The practical implementation of our desire to determine who is our brother and how we should act toward him is by no means easy. However, I suggest to you that it requires as a fundamental precondition the utmost of goodwill and broadmindedness on the part not merely of those individuals who find themselves in official government positions but of all thinking citizens. Once again I repeat that foreign policy can in some small way be influenced by each one of you, Americans and Canadians alike. The goodwill and friendliness generated among Kiwanians can be projected into a sine qua non for reconciling local, national and international objectives in the field of trade as well as elsewhere. As a practical suggestion, you might wish to undertake in each of your communities a survey of what you produce and where its ultimate market is. I think that you may be surprised to find to what extent your own prosperity is linked with that of your neighbour.

Of one thing I would warn. We cannot expect perfect answers in a democracy. By very definition we are living, growing, changing, developing. There is independence of opinion and action. The challenge to us is to maintain our belief in the virtues of such seeming democratic anarchy and by our own self-discipline to retain our perspective. Our way of life does not depend upon strict regulation or rigid precept. Rather it is an indefinable state of mind which causes us to react voluntarily and cheerfully and with a recognition that there is a duty to our neighbour as well as to ourselves.

There is a certainty about a fence, and good neighbours do not seek to move it under cover of night or because of a passing caprice. So it must ever be with the fence which joins our two nations, for, particularly in commercial relations, certainty and confidence in your business associate and his willingness to stick to his bargain through thick and thin are most valuable qualities.

The long fence, the long boundary between our two countries, is, I am sure you will agree, a meeting-place where neighbours quietly and without emotionalism meet together frequently to compare notes, to discuss problems which they have in common, the dangers that threaten them from without. They talk over ways and means of doing business with one another so that each and his family may ever increasingly prosper. At the same time, each one's house is his castle, each one has his own back yard, the sons and daughters visit back and forth as do their parents -

this kind of fence presents no obstacle to friendship and co-operation. Domestic responsibilities do not prevent common action of neighbours in their joint interests, in the interests of the community as a whole. Once more, may I repeat how heartwarming it is to find a large group of representative members of the community with a twofold outlook. In one direction, Kiwanians look toward the betterment of their immediate family - the community in which they live; and in the other direction they look toward their state and province, their nation, and beyond that into the international field, seeking to achieve their ultimate objectives of peace and prosperity through such acceptable means as they can from time to time devise.

Sometimes it is difficult for us to co-operate with others in this uncertain world. It reminds me of the story of the young lad who was being asked by his father what he had learned in Sunday School. This boy, who showed, I must say, a remarkable degree of perspicacity, replied: "I was taught to love a lot of people that I can't like." It is easy to have a deep affection and concern for the members of your immediate family and for those who are closest to you and who, incidentally, are able to give you some return for your affection. Much more difficult, a distinguishing characteristic of personal and national maturity, is the ability to look abroad and to love even those people whom you cannot always like.

Among ourselves in the United States and Canada there is not much of a problem about liking one another. The ties of personal relationship, fraternal bonds, business associations, and just plain friendship are so many and so great that today any differences of view are approached in a spirit of candour and goodwill which is most refreshing. I do not pretend for a moment that there are no unresolved points of difficulty; there inevitably are, just as there are unresolved differences of view between individual persons within a country. The important thing is that the goodwill which has made it possible for us to resolve many problems in the past and to deal in a friendly manner with those problems which we now face, should grow and expand and not be smothered. I do not intend to discuss this evening some current questions that are under discussion, such as imports of oil, lead and zinc, wheat marketing and so forth. I hope that as between good neighbours each government will put forward its point of view and seek to get as near to what is fair and just as it is possible for human beings to do. Self restraint and self discipline on both sides are needed always for the settlement of disputes large or small.

In closing, may I say how happy we in Canada are that your President and Secretary of State will be visiting us next week. When we meet there will be much to talk over. Some people will refer to this as a summit meeting. How different it is from that other summit meeting about which so much has been said but far too little has been accomplished. When President Eisenhower and Prime Minister Diefenbaker meet, there will be real friendship

and cordiality and the common desire to reach agreement on any questions which may require consideration.

Once again, I thank you for having done me the honour of inviting me to be present with you on this happy occasion. I cannot close without expressing my admiration of Chicago, this great metropolis of the Middle West. This is the bustling Middle West where, as Mark Twain once remarked, "One man is as good as another and a darn sight better." Here it is that man as an individual has long since been recognized as having a dignity and presence which is of the essence of democracy. Kiwanis have built on that concept. Kiwanis have flourished in that building. Kiwanis International is truly an organization for peace and prosperity. Maneat! Crescat! Floreat!

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/28

HISTORIC DEVELOPMENTS ON ST. LAWRENCE

An address by Mrs. Ellen L. Fairclough, Minister of Citizenship and Immigration, at the dinner on International Day, July 4, 1958, during the St. Lawrence Seaway inundation ceremonies, Cornwall, Ontario.

You are today celebrating the completion of one of the most important stages in the construction of the St. Lawrence Seaway and Power Project. With the creation of the huge body of water above Cornwall, the hydro authorities on both sides of the International boundary have a supply of potential power which will undoubtedly have most beneficial results in the development of the industrial area of Eastern Ontario and adjoining New York State.

With the filling of the huge reservoir which has been created out of the St. Lawrence Valley, a water head has now been reached which should soon be turning over the huge turbines in the power houses built by the Ontario Hydro Commission and the New York State Power Authority. The benefits of this additional power will undoubtedly be felt locally as well as throughout the hydro grill which covers this province.

Various Canadian and American public and governmental bodies have been involved in this week's operations. The Department of Transport has been concerned with the handling of shipping and the dismantling of the old canal system. Also involved have been the Ontario Hydro Commission and its U.S. counterpart, the New York State Power Authority; the St. Lawrence Seaway Power Authority and its American counterpart, the Saint Lawrence Seaway Development Corporation.

I suggest we try to look at this week's happenings in perspective in order to appreciate fully the significance of these historic developments.

The beginning of the end of this saga of international co-operation and achievement began on Monday morning, at 4:00 a.m. to be exact, when all shipping was excluded from the Department of Transport canal system in the area to be flooded and during the day commercial traffic was all moved out. In fact the last ship to be moved through the canals was the "Tecumseh" - an historic name appropriate for an historic occasion - with iron ore from Contrecoeur, Que. to Buffalo, N.Y., a happy augury of the traffic which will be moving through the new Seaway canals in increasing volume in the coming years.

Immediately, Department of Transport crews, some one hundred strong, drawn from the principal canals worked around the clock demolishing the old canal system. All machinery and electrical installations were removed, lock gates were unhinged and attached to floating markers, and buildings razed by fire, explosive or by demolition chain.

With the demolition of the coffer dam between Sheek and Barnhart Islands, the flooding began of the area to provide a head water for hydro power development. This has brought to a successful conclusion most of the construction work jointly carried out by the Ontario Hydro Commission and the New York State Power Commission.

Following the flooding, the Saint Lawrence Seaway Development Corporation of the United States, the counterpart of the Canadian St. Lawrence Seaway Authority, officially opened the newly constructed Seaway locks on the United States side of the International section of the river on Wednesday with appropriate ceremony. These are the Dwight D. Eisenhower Locks and the Bertrand H. Snell Locks.

Today, shipping was due to start operating again but instead of the old canals they will be using the new Seaway Locks at Iroquois, Eisenhower and Snell in the International Section of the Seaway. While large lakers are now able to come down all the way to Cornwall, the section of the Seaway between Cornwall and Montreal has still to be completed before through shipping of vessels drawing 27 feet of water is finally possible.

I have briefly outlined the historic stages marking the completion of the greater part of the St. Lawrence Seaway and power project. It is now possible for hydro power to go into operation and also for the Seaway to advance one stage further in its progress to sea.

With the flooding of the International Rapids Section of the river, a huge lake has now been created. Dimensions are still rather difficult to give to the decimal point until the water has reached its final height, but it is roughly estimated that the lake is 32 miles long, extending from Cornwall to the Iroquois dam, and has a width varying from one to four miles.

The navigational facilities provided in this power pool, which forms part of the Seaway project, have in most cases been placed during the past few days and a wide and well-marked channel today replaces all canals which formerly served the International Rapids Section of the St. Lawrence. Today, these rapids as well as the canals themselves lie under many feet of water.

Shortly before navigation closed last year, the completed Iroquois Lock was officially opened with the first ship entering the lock chamber. The ship was raised in the lock in five minutes, and passed through the upper gates, indicative of the speed of operation when larger "lakers" will be able to use the Seaway in its entirety.

The Iroquois Lock has a depth over sill of 30 feet, a width of 80 feet, and a usable length of 768 feet. The Dwight D. Eisenhower and the Bertrand H. Snell locks, like the other Seaway locks, have the same dimensions. The safety features of these locks, when approaching downstream from the Great Lakes is of interest to all. There is a wire-rope fender strung across the entrance and attached to huge drums. Should a vessel by some misadventure go out of control and strike the fender boom, the boom may sheer apart, but the wire rope fender will absorb in 70 feet the shock of a ship of as much as 40,000 tons, travelling at a speed of three miles per hour. There are four fenders at each lock, two to protect each set of gates from upstream and downstream. However, it is only in extremely rare cases of accident that the fenders will be called into play.

Perhaps it is almost a case of "Taking Coals to Newcastle" to tell a Cornwall gathering such as this about the St. Lawrence river in general and the Seaway project in particular. But I would like to draw attention to a few historic facts about navigation on the St. Lawrence.

From the early days of Canada, this river of yours has played a major role in transportation and the accounts of the travels of the intrepid adventurers, explorers and traders, whether French or English, are filled with excitement and interest and are a fruitful source of Canadian history.

The development of passenger and freight traffic also followed the Canadian water routes from Quebec and Montreal up the St. Lawrence river to Lake Ontario and Lake Erie. On these routes, however, an elaborate system of portages was required and no improvement in this system took place until canals were built to bypass the rapids and the other obstacles to navigation.

The first attempt to build a canal in Canada was made in the early part of the eighteenth century. The Sulpician order attempted to construct a shallow canal to bypass the Lachine Rapids, but due to a lack of funds, the project was never completed. The first successful project was the series of locks and canals built by the Royal Engineers between 1779 and 1783 to provide 2-foot draft navigation between Lake St. Louis and Lake St. Francis.

The advent of the steamship to Canada in the early 1800's brought about a real improvement in transportation on the St. Lawrence and on the lakes, but it was still necessary to resort to various time-consuming expedients to surmount the obstacles on the waterways. Frequently stage coaches and flat-bottom "Durham" boats were used in the portaging operations in conjunction with the steamships.

Only minor canal works were carried on from time to time until 1821 when the building of a 5-foot canal at Lachine was undertaken, and in 1825 when private interests embarked on the building of the Welland Canal to provide eight foot navigation between Lake Ontario and Lake Erie. Since then, Canada has been engaged, almost without interruption, in the extension and development of her system of canals, the main purpose being to provide navigation facilities from Montreal through to the Great Lakes.

And now in July, 1958, we find ourselves engaged, with the United States, in navigating a man-made lake, the construction of which was one of the greatest engineering feats of the day. The St. Lawrence Seaway is a vital part of the St.-Lawrence-Great Lakes waterway which has rightly been described as the world's greatest inland navigation system, which extends more than 2,000 miles from the Atlantic Ocean to the western end of Lake Superior and overcomes a difference of 600 feet in water levels.

In closing, I would like to say that in my opinion all Canadians are taking the greatest interest in what has been accomplished this week and when the Seaway is completed next year and opened to navigation, we will have every cause to take pride in the engineering achievement of our engineers.

From a navigation standpoint, development of the St. Lawrence Seaway project will meet a long-standing need to extend the benefits of low-cost transportation to industry. It will be of particular benefit to industries having high transportation costs relative to their value, and should enhance Canada's position in competitive domestic and world markets.

Thus the Seaway will facilitate foreign trade, which is so essential to Canada's economic well-being as a nation. Reduced transportation costs will not only enable Canada to reach more distant markets but will more firmly entrench us in the markets we now hold.

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No. 58/29

A FORMULA FOR PEACE

An address by Prime Minister
John G. Diefenbaker to the
Fifth Baptist Youth Conference,
Toronto, Ontario, June 29, 1958

In the struggle for peace each citizen and each nation has his part to play. In the struggle for a peaceful and happier world, it is my conviction that as citizens and as nations we must be guided by the fundamental principles of the Christian Church. For each person and each country the path may be different. While for us in Canada, the role will be different from the role to be played by countries in other circumstances, in countries that are larger or smaller, richer or poorer than we. To illustrate my conception of a Christian attitude for a nation to take towards the international community and its own position in that community, I would like to talk to you about the role of Canada as I see it.

Each individual must base his position in the community in which he lives first of all on the development of himself, secondly on a proper relationship to his neighbours and the community as a whole. This, I believe, is also true of nations.

First of all, we must make the most of ourselves, without inflicting harm on others. Nations as well as men must be strong and self-reliant. They must develop their resources for the benefit of themselves and be thereby enabled to help others less fortunate than themselves. We Canadians have been richly blessed in inhabiting a country with great natural resources. We have also been blessed in that, although great riches are available, they have not been available without hard work. Ours is not an easy land and these harsher facts we should consider a blessing rather than a handicap, for they have taught us the virtues of toil and given us the satisfaction of achievement.

Self-reliance requires pride in a nation's own best traditions. One of the Canadian traditions of which I am most proud and one which has great significance for our role in the world at large is the tradition of adjustment and tolerance among peoples of many different races and religions. Because the descendants of two great peoples, French and Anglo-Saxon, had to learn to live together in this country and to prosper in peace, we learned to recognize each other's rights and sought and must continue to seek happy compromises as a basis for a healthy national life. When, in later stages of our history, people came to Canada in large numbers from countries other than France and Britain, they found here an attitude which was more tolerant than it would have been if we had not learned by trial and experience that nations need not be built on racial unity.

Canada was the first country within the then empire and today's Commonwealth which brought into being the recognition of religious freedom first, under the Quebec Act in 1774, when Roman Catholics were granted equality of rights some fifty years before the same rights were achieved in the United Kingdom and in 1828 to those of Jewish faith almost twenty years before the United Kingdom granted the same.

We have achieved in our tradition more than just a spirit of tolerance. We do not simply tolerate each other in Canada, we rejoice in the enrichment of our heritage and our culture from many varying sources. We rejoice also that our own experiences have taught us to reject vicious theories of race which have poisoned international relations and which stand in the way of the true fellowship of man.

We in Canada have tried to discharge the responsibilities which go with our blessings by supplying technical and financial assistance to other countries. We have contributed also our armed forces and our resources of experience and government to repel aggression and maintain peace in such distant lands as Korea, Indo-China, and the Middle East. These are contributions we consider it our duty to perform in accordance with our capacity in the cause of peace.

In Christian teaching, the cultivation of family life and the recognition of a responsibility towards other members of one's family is of great importance. Canada, as a nation, has a family life in its Commonwealth association. Like most other nations of the Commonwealth, we in Canada have grown from a condition of dependence and tutelage to one of full and sovereign responsibility. The virtue of our association is that the settlement of any differences we may have as in any family, has been made by mutual accommodation. As a result of this unique experience, it is possible for the Commonwealth to remain closely bound

together without treaties or federal institutions. We do not always agree but, like good members of a family, we try our best to agree and we differ only with reluctance. As members of the Commonwealth, we are obliged to respect the fundamental interests of each other.

Like the Canadian nation, the Commonwealth is not based on common race, but is of many different races, religions and institutions.

While the history and culture of the Asian and African members of the Commonwealth are vastly different from ours, yet, we share institutions and beliefs which bind us together despite the gulfs of geography and history. Common attitudes to democratic institutions, the rule of law, the sanctity of the individual and a decent relationship among citizens and states are more powerful cohesive forces than race or colour. The association within the Commonwealth of countries of Asia and Africa as well as the other continents has greatly enhanced the role of the Commonwealth in showing the way to and in preserving world peace.

For Canada, there is another relationship of a family kind in our association with the countries of the North Atlantic Treaty Organization. We belong to the long and honourable tradition of Western civilization in which Christian values are strong. We are proud to contribute our strength to its preservation. It would be entirely contrary to the traditions of that civilization for NATO to threaten other countries or other civilizations. NATO is not for us an exclusive association and we recognize the right of other great civilizations to preserve and defend their institutions.

The duties of a Christian apply not only to his family but also to his neighbour. We in Canada are happily blessed with one great neighbour, the United States of America. If at times we are inclined to forget our good fortune in having such a neighbour we have only to contemplate the tragic position of other countries who live under the shadow of powerful and threatening neighbours.

Finally, the good citizen and the good nation must recognize his obligations to the broad community of man. While we have our duty to ourselves and our special relationships to our families and our neighbours, more and more, we, as Canadians and citizens of the world, must seek to share the problems of every continent. We have much to give to other peoples, particularly those in less fortunate lands, but we have also much to learn from them. There cannot be friendship and understanding between the continents if the Western world arrogantly assumes a monopoly of skill and

wisdom or that we must try to make all other peoples conform to our ways and thinking. We have much to learn from them, as we have something to give them. It is for this reason, for example, that we in Canada strongly support the Colombo Plan. The Colombo Plan is not merely a programme for giving aid from Western countries to Asian countries. It is a programme for mutual co-operation in economic projects. Canada has contributed in men and resources to the Plan, but we have gained enormously from the experiences we have had in working with our friends in India, Pakistan and other countries in creating new opportunities for them and for the benefit of mankind.

It is in the United Nations that we have our most direct associations with the world at large. Because we in Canada realize that peace and prosperity are global rather than regional, we support the United Nations. Much has been said about the weaknesses of the United Nations and they are apparent and if there have been failures in the United Nations, it is we its members who have failed. Instead of growing cynical, we must profit from our experiences and act in such a way as to strengthen rather than weaken its power. At this particular time, it is perhaps most difficult for us to maintain our hopes for peaceful co-operation when barbarism has been so brazenly flaunted in Hungary.

What are the prospects for the achievement of peace? Peace that will allow people of the earth to participate in the material and spiritual benefits of scientific advances. If the will to peace of the nations of the world could be assured, nations would be able to share benefits for the needs of all mankind, rather than bear the burdens which fear and hate impose.

Communism has advanced since 1940 in every part of the world. It was the hope of mankind that with Stalin's death a new era of Soviet policy might be the result. Those hopes, while diminished during the Hungarian uprising were again restored only to be lowered again in the last few days in the execution of the former Premier of Hungary and his associates under circumstances of uncivilized perfidy. Terror and tyranny seem again to be the pattern of Soviet policy. Many fear that what has taken place since Stalin's death, may have been a course dictated by Stalin in his book on Strategy and Tactics, in which he said that "concessions" from time to time should be made, "in order to buy off a powerful enemy and gain a respite..... The object of this strategy is to gain time and to accumulate forces in order later to assure the offensive".

The stern disregard of world opinion which condemned the execution of the Hungarian leaders, is shown by the fact that Canada's note of protest to the Hungarian Government has been returned to the Canadian representative at the United Nations, (Ambassador Ritchie), without comment, which is the diplomatic way of saying that the cruelties that were perpetrated are of no concern to the free world.

If the Soviet persists in maintaining its refusal to attend the Scientific Conference opening at Geneva tomorrow, which could lay the foundations for the control of nuclear weapons while maintaining security through inspection, it will be challenging evidence of a tougher and more unyielding policy by the U.S.S.R.

What I have endeavoured to do is to outline a formula for peace to which Canada adheres. While falling far short of Christian perfection it is founded on the recognition of basic Christian principles -- the practice of the Golden Rule; and by the maintenance of the responsibility of each nation, according to its talents of men and resources, to use these talents for the good of all mankind.

What of the future?

1. The free world must not weary in its endeavours to negotiate for peace. It must maintain flexibility in policy without sacrifice of principles of right and justice rather than permit the development of a frozen futility - the certain consequence of rigid adherence to past outgrown declarations.
 2. We must endeavour to strengthen the United Nations to the end that a world police force, now but a dream, will be accepted as a condition precedent to the peaceful settlement of International differences and disputes.
 3. While maintaining our defences a world offensive in moral objective must be launched by the free world. Christian nations need a renewed mobilization of the basic concepts of brotherhood and the recognition of the dignity of the human person.
 4. The nations of the free world have to unite to remove economic differences as a defence to the Communist world economic offensive.
- In the global struggle for the minds of man the free world must extend its humanitarian policies so as to provide for the teeming millions of Asia and Africa new hope for improved economic standards.

All of these things are necessary but there is something more. As stated in these words placed there by the architect in the Rockefeller Plaza in New York:

"Man's ultimate destiny depends not upon whether he can learn new lessons or make new discoveries and conquests, but on his acceptance of the lessons taught him 2,000 years ago."

The free world has tried many expedients. It must try God's will to a greater extent than ever before.

I believe that the solution to most of the problems of the world today would be met in a new world of understanding if each of us were to translate into everyday life the principles of our Christian faith. The problems of mankind will not be solved by magic or simple formula.

This age is one of the watersheds of history. This is a world struggle in which religious and political liberty will survive if Christians are true to their faith.

We need courage, based on faith, knowing that in the ageless conflict between good and evil, whatever the short-term results, history records that good has always triumphed.

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No. 58/30

THE INTERNATIONAL SITUATION

Statement by Mr. Sidney E. Smith,
Secretary of State for External
Affairs, in the House of Commons,
July 25, 1958.

The first item, of course, with which the House will expect me to deal is the grave and vital situation in the Middle East. I am sure there is no need for me to rehearse in detail the developments in that area during the past two weeks, because members are no doubt familiar with those developments; but with respect to Canada, and indeed the whole world, our attention is directed to New York, and I propose at the beginning of my remarks to give to the House a full account of the latest happenings here.

LEBANON

Before doing so, however, I should make reference to the developments in Lebanon leading up to this particular crisis, and give to the House some information with respect to the evolution of that crisis. Members will recall that on May 27, 1958, Lebanon presented charges to the Security Council of the United Nations simultaneously with those to the Arab League. The charge of Lebanon was that the United Arab Republic had intervened in its internal affairs. The Arab League had nothing to offer in the way of a solution of the issues involved in this charge and subsequently the Security Council, after discussion of the charges, decided to act in this particular regard.

May I remind the House, however, that there had never been any overt aggression from Syria into Lebanon. It had to do with indirect aggression. This was a new type of aggression with which the Security Council had to deal. It is difficult to define what is indirect aggression, yet the Security Council addressed itself to this question.

I may interpolate here that for some time the United Nations has been endeavouring without success to define indirect aggression, and certainly it was understood and recognized that the Security Council had power to investigate charges with respect to that type of intervention, indirect though it be, in the affairs of another country. And so on June 11 the Security Council set up an observation group, and I read part of the text of the resolution:

- to ensure that there is no illegal infiltration of personnel or supply of arms or other materiel across the Lebanese borders.

The Government of Canada considered that the situation which was unfolding in Lebanon merited prompt action. From the beginning in the discussions in the Security Council we gave our firm support to this resolution, a resolution that provided machinery under the auspices of the United Nations. We welcomed the resolution, Mr. Speaker, by reason of the fact that it afforded to the Secretary-General an opportunity to contribute to the stabilization of the situation in Lebanon. We also welcomed the ambit of the resolution that gave certain flexibility to the Secretary-General in carrying out or implementing the resolution's objectives.

That resolution was adopted on June 11. There was no veto and no dissenting vote. On that particular occasion, and it was very encouraging, the U.S.S.R. abstained from voting on the resolution. The Secretary-General then moved very quickly, and within a few days he had officers of his observation corps present in Lebanon. Hon. members will recall that Canada immediately responded to the appeal from the Secretary-General and sent ten officers to join the observation group. Indeed, Canada at the moment has 11 officers there. A Canadian officer who was attached to the United Nations truce supervision organization was seconded to the observation group in Lebanon.

This group, the United Nations observation group in Lebanon, has become known as UNOGIL, and that is the designation I shall use. It encountered at the outset many difficulties in carrying out its task. Initially the group had access to only 18 kilometers out of the 325 kilometers of Lebanon's frontier with Syria. Other difficulties were encountered by reason of the rugged nature of the terrain, the location of the border populations, and also by reason of the traditional freedom of people to move across the border from Syria to Lebanon, a freedom they have had for many years. Here was a fairly recent boundary line between Syria and Lebanon. Many of these initial difficulties, however, were overcome by the middle of July and the

observer group, UNOGIL, had access to all the frontier areas between Lebanon and Syria. They had been increased in numbers and personnel and were also getting aircraft for the purpose of carrying out their directives from the Secretary-General.

During recent weeks there has been one frontier of Lebanon that has been quiet. That is the frontier with Israel. Indeed, I would point out that during this difficult period all of Israel's frontiers have been quiet. That is a tribute to Israel, to the United Arab Republic and to other countries, and it is also a tribute to the effectiveness of two other United Nations organizations, the United Nations Emergency Force along the Egyptian-Israeli armistice line and the United Nations truce supervision organization on Israel's other frontier.

Now to return to the narrative of events that I anticipated a few moments ago I would give. On July 14 there occurred the sudden, swift and violent revolution in Iraq which transformed the situation in the Middle East overnight. Within Lebanon it appeared still further to exacerbate internal dissensions and - of this I am convinced - the happenings in Iraq rendered UNOGIL incapable, at least temporarily, of meeting its responsibilities, in the dangerous situation thus created. And so it was in this situation that President Eisenhower responded promptly and affirmatively to a request from President Chamoun of Lebanon. As President Eisenhower stated at the time of the landing of United States troops in Lebanon, the force was not there to engage in hostilities but to help Lebanon in its own efforts to stabilize the situation until - and I emphasize that word "until" - the United Nations could take the steps necessary to protect Lebanon's independence and integrity.

Two days later, as we recall, the United Kingdom found it necessary to take similar emergency action in response to an appeal from King Hussein of Jordan for military assistance in the face of a plot instigated from outside Jordan to overthrow the regime. I have been informed reliably, and I know, that there was not only a plot to overthrow the government in Jordan but also that the plot extended to other countries in the Middle East to overthrow their governments.

As the Prime Minister informed the House on July 17, the Canadian Government appreciated that the United States and the United Kingdom had no alternative but to take these interim measures. We knew then that both governments had stated specifically that the landing of troops and the keeping of troops there would be terminated as soon as the United Nations could take effective action. We understood the difficulty of the decision that the two countries, the United Kingdom and the United States, had been forced to take.

To return to the point I attempted to make a moment ago, we recognized clearly that the United Kingdom and the United States appreciated the ultimate authority and responsibility of the United Nations.

Since that time we in Canada have made every effort at the United Nations and in some of the capitals of the world to bring about as swiftly as possible those United Nations actions which would provide some instrumentality of the United Nations to the end that the United States would withdraw their forces from Jordan.

In the United Nations Security Council, the United States and the United Kingdom have joined, or we have joined with them and other countries, in promoting steps that would provide personnel on behalf of and under the United Nations that would in turn enable those two countries to withdraw their forces. To this end we gave full support last week to a draft resolution submitted to the Security Council by the United States. In brief, the purpose of that resolution was to enable the Secretary-General to establish an instrumentality - and the type of instrument would be in his good judgment - that would add to the forces of UNOGIL now in Lebanon. We supported that; yet at the end of last Friday, just one week ago, the Russians vetoed that proposal. That was on July 18.

With respect to my own activities at this time, I may say that I had flown to Washington where I had valuable discussions with Mr. Dulles and Mr. Selwyn Lloyd, a valuable exchange of views. The newspapers have quoted me as taking the stand on behalf of Canada that there should be no expansion of military activities by these two countries, that is, outside of Lebanon and Jordan. The Prime Minister has also taken that stand, and he has so informed the House. From Washington I went to New York, where I had discussions with Mr. Hammarskjold. Then I came here to report fully on the situation as I saw it to the Prime Minister.

I got off the aeroplane on Saturday and heard for the first time that Mr. Khrushchev had extended an invitation for a summit meeting on the Middle East. At the Prime Minister's request I went back to New York on Monday morning where I took charge of the Canadian Delegation, and I seized the opportunity then to express the hope that nations would respond to the invitation issued by Mr. Khrushchev for a summit meeting on the Middle East. I shall deal with that matter later.

On that particular day the Prime Minister informed the House that on Monday morning he had sent messages to Mr. Eisenhower, Mr. Macmillan, Prime Minister of the United Kingdom, and Mr. Nehru, and in those messages he expressed the hope that there would not be a negative reaction to the proposal put forward by Mr. Khrushchev.

In New York on Monday and Tuesday of last week our delegation worked very closely with the delegations from the United Kingdom, the United States and Japan in an endeavour to work out a compromise resolution which might be more acceptable to the Russians than the one they vetoed on Friday last, which had been put forward by the United States. This particular resolution was put forward by the Japanese. We were rather hopeful of this resolution that provided in its operative part for an increase in the observer group of UNOGIL and gave further authority to the Secretary-General to endeavour to stabilize the situation in Lebanon to the end that the United States could withdraw its forces.

As I said in the meeting of the Security Council on Monday of last week in support of this resolution, I deemed it a positive approach, one which offered the Council an opportunity to use and strengthen the United Nations machinery that it had in Lebanon; but this, too, the Soviet Union vetoed. And so, as far as the activities of the United Nations in Lebanon are concerned, we are back where we were at the beginning of last week. However, after the veto the Secretary-General expressed his determination to use the powers that had been voted to him on June 11 by the Security Council, and he said he would firmly proceed to implement his mandate in the resolution of the date to which I referred. I think it would be of interest to the House if I read a part of the statement the Secretary-General made on Tuesday afternoon after the veto of the Japanese resolution by the U.S.S.R. Mr. Hammarskjold said:

I am sure that I will act in accordance with the wishes of the members of the Council if I therefore use all opportunities offered to the Secretary-General within the limits set by the Charter toward developing the United Nations effort so as to help to prevent a further deterioration of the situation in the Middle East, and to assist in finding a road away from the dangerous point at which we now find ourselves.

Even before the Japanese resolution failed of adoption Mr. Hammarskjold had decided to increase the personnel of the UNOGIL in Lebanon from about 135 officers to something approximating 200, and he requested Canada to send three additional observers. The Prime Minister has

informed the House of Canada's ready response to that invitation from Mr. Hammarskjold, and I recall the words the Prime Minister uttered in this House, that Canada was willing to take that action, ready to do it, glad to do it, and then he made this statement:

Canada will supply immediately three of the additional observers, of course giving every attention to any further requirement of UNOGIL as events transpire.

Therefore what is needed now is an expansion of the scope and importance of UNOGIL activity. The hon. member for Essex East asked a question on Wednesday of this week. I was not in the House at the time. The hon. member asked whether Canada had received any further invitation from the Secretary-General for additional personnel from this country. No invitation has come forward as yet, but Mr. Hammarskjold intimated on Tuesday afternoon at the meeting of the Security Council that if the Russians vetoed the Japanese resolution he would go to work immediately and evolve a plan for the increase in that particular group. That plan is now, we know, being developed but it has not yet been made final.

Members of the House may recall, Mr. Speaker, that at the time of the establishment of UNEF Mr. Hammarskjold, the Secretary-General of the United Nations, associated with himself an advisory committee of member states to assist him in the conduct of his task with respect to UNEF. There are indications now that Mr. Hammarskjold will invite certain countries to send representatives to such an advisory committee, and it may well be that he will choose the personnel of the advisory committee of UNEF, the advisory committee that has been in being for some time.

So that is where we stand now. A new United Nations body, not new since Tuesday afternoon but new since June 11, has been developed and set up, and we hope this body will be effective in enabling the Lebanese people to work out their own internal difficulties and dissensions in their own way. I have confidence that such a United Nations body, developed under a plan still to be presented by the Secretary-General, will be effective in establishing stability.

But what of the future? Is there a way to ensure permanently the independence and integrity of this small country with its unique balance of East and West, with its unique composition of population...?

We had discussions in Washington about the future of Lebanon. The discussions had to do with the possibility of having the Lebanese accept a position of neutrality. Favour was expressed by the United States and United Kingdom representatives with respect to that proposal.

I was not here on Monday, but I have read the address of that distinguished representative of a member of the Commonwealth, the Prime Minister of Ghana. I know that he also advanced that proposal when he addressed members of the House in joint session with members of the Senate. Can we work toward a status of neutrality for Lebanon and have an international guarantee of its neutrality such as is provided in effect for Austria? It cannot be imposed on the Lebanese, but it should not come as a novel suggestion to them because throughout the centuries, indeed from Phoenician times, the Lebanese have been merchants and traders. Their history shows that by reason of necessity to be friendly with as many people as possible in order to trade with them, they have over the centuries achieved that relationship with bordering countries.

Of course there is a new factor, one that I adverted to earlier in my remarks. Recently Lebanon has been rocked by pressures, sometimes violent pressures, from outside countries. Recently those pressures have been manifested in hostile radio broadcasts and other activities, and these pressures have brought about the vexed situation in which the Lebanese find themselves at this particular time. But it is, I think, possible to find a way out of the situation along the lines I suggested a moment ago. I would expect that the Lebanese might welcome some arrangement establishing neutrality that would assure them their independence in this middle position. But I am convinced that that cannot be brought about without the practical assistance of the United Nations. Indeed, I think it might well require some physical manifestation of United Nations authority, a physical manifestation of such authority on the ground in Lebanon.

The task which the observer group is now performing and will perform to a greater and more successful degree, I hope, will be to insulate the political affairs of Lebanon from those of its neighbours and thus help to restore tranquility in that divided nation. That, Mr. Speaker, could be the forerunner of some continuing role on the part of the United Nations in that country, perhaps not unlike the role played not by the United Nations but by Canada and other members of the international commissions in Indo-China. As hon. members will recall, these commissions were set up by the Geneva agreements of 1954.

In putting forward this suggestion I realize that the United Nations should proceed cautiously, but if the experiment were successful it might be used as a precedent for stabilizing other countries in the Middle East, torn not only by fierce internal antagonisms but by hostile external rivalries and tensions. The possibility of insulation through the United Nations raises novel problems and vast difficulties, but so acute have the problems of this region become that we must cast our minds about to examine every possible line of approach which might offer the prospect of advance.

I make another reference to the stability not only of Lebanon but also of the Middle East. Much of their trouble can be traced to the economic difficulties in which they find themselves, and I would hope it would be possible to give some assurance of economic stability not only to Lebanon but to the whole Middle East that would warrant and promote political stability. In this particular task I can foresee for the United Nations and for other organizations a really valuable role.

MEETING AT THE TOP

As the Prime Minister said the other day in the House, this is not the time for stagnant thinking, and if there is anything in this new United Nations approach, the West could seize the opportunity at the summit meeting which now appears certain to be held in New York and endeavour to make a small beginning, at any rate, in the country of Lebanon.

That was one reason that prompted the Canadian Government to welcome the Soviet proposal of last Saturday, a proposal that contained offensive and provocative language giving unnecessary offence to the addressees. Indeed, I had occasion to point out to Mr. Sobolev when I was in New York that it was unnecessarily truculent and offensive. But I know I can speak for the Prime Minister when I say that in sending messages to President Eisenhower, Mr. Macmillan and Mr. Nehru, expressing hope that there would not be a negative attitude to Mr. Khrushchev's proposal, we had in mind that some constructive measure such as the one I have been indicating might be looked at and adopted not only for Lebanon but for the Middle East.

Then with reference to the message that was received by France, the United Kingdom and the United States from Mr. Khrushchev, we had in mind that a meeting at the top could result in a diminution of international tension. On Sunday we discussed also the terrible possibility, not the probability but the terrible possibility, of the nations of the world sliding into a global nuclear war. The

leaders of the governments of this generation would never be forgiven if they did not exhaust every possible way of relieving, at least in some measure, international tension.

This was another basis for the messages that went out from the Prime Minister over the week-end. I can claim that in this regard Canada took the lead. The public expression of the desire of this Government to promote the holding of a summit meeting was the first public utterance on the Western side in this respect. I took the opportunity in the Security Council, as did the Prime Minister when he informed the House on Monday, of making very clear our concept of the desirability of holding an international conference as suggested. I have in mind, but I cannot claim this, that my observations had something to do with the postponement at least of the U.S.S.R. proposal to call for a General Assembly meeting in which they could indulge in more propaganda.

I have in mind also that the stand of the Canadian Government, as expressed by me in the Security Council on Monday of last week, had something to do with the acceptance of the counterproposal put forward by Mr. Macmillan on behalf of the United Kingdom. The real significance to me of the resolution with respect to the holding of a meeting in the Security Council - I do now expect it will be a favourable decision - is that this meeting will be held under the aegis of the United Nations. The Security Council, and I quote from the United Nations Charter, was established for the following purpose:

In order to ensure prompt and effective action by the United Nations, its members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Councils acts on their behalf.

In my opinion, that is the proper forum for a meeting of Mr. Macmillan, Mr. Khrushchev, Mr. Eisenhower, General de Gaulle and others. We have noted with encouragement that Mr. Khrushchev has responded to this proposal that was sent out in clearer terms, perhaps, from London than from any other capital, that this meeting should be held within the Security Council. It could be, it may be - I emphasize the word "may" - a meeting of momentous consequence. Again, I say that it is worth trying in terms of the voice of humanity. Furthermore, I have in mind that apart from the powers whom I have named and to whom the letters were addressed by the author, the presence of Mr. Nehru, the distinguished leader of one of the nations of the Commonwealth and a representative of the awakening world of Asia, would contribute much to such a conference.

With reference to the eventual composition of the Conference, I am sure that the House will have noted the observations made yesterday by Right Hon. Mr. Macmillan at Westminster. These are his words:

I am glad to note Mr. Khrushchev's latest letter recognizes ... (that) ... until the form of the meeting has been agreed it would be premature to lay down which countries, which are not members of the Security Council, should attend, or by whom they should be represented.

I agree with that particular view, at this stage, when there will have to be negotiations with respect to the time, with respect to the agenda and other matters. I would say this, however; that it will be for the Security Council to decide what nations, which are not members of the Security Council, should come to the table of the Security Council. That is a procedural matter for the Security Council. I saw it in operation on Monday and Tuesday of this week, for example. The Council, by formal resolution presented by the chairman before one meeting on Monday started and before the two meetings on Tuesday started, asked the representatives of the United Arab Republic, Lebanon and Jordan to come and be present at the Council table. I say again, Mr. Speaker, that is a matter for the Security Council to decide.

However, I express anxiety lest these matters having to do with who will sit and who will go to the meeting should jeopardize the holding of that meeting. Questions of this sort should not be insuperable or prevent the proposed meeting of the Security Council. In my opinion they should be treated and considered as secondary. With respect to this meeting in New York, whatever the date may be, I have in mind that it is desirable also, if some means can be found, to have the opinions of the numerous countries concerned, because no plan that may be evolved in the Security Council will be successful unless the proposals are accorded the approval of the peoples of those regions.

One of the problems we in Canada must always keep in mind is a concern, for example, lest the prosperity of Israel should not be safeguarded in the forthcoming negotiations. Surely it will be possible to get the views of the Middle East countries whatever the procedural device may be. Many problems, as I indicated a moment ago, will arise on the subject of time, on the subject of the agenda and prior consultation. But when the Prime Minister spoke in this House on July 25 about the possibility of holding such a meeting within the Security Council he deliberately used words which took into account the flexible procedure that would have to be devised if this conference is to be brought into being.

I would express on behalf of Canada the hope that we will have this concept of flexibility. It is here, I believe, that the Secretary-General, with his great experience and wisdom which he has shown particularly during the past two weeks, could be given the opportunity of devising some formula within the existing United Nations structure in order to enable these important conclusions to be reached with respect to those matters to which I referred, and to the end that the consultations at New York will be fruitful.

INDOCHINA

It is not inappropriate that I announce at this time an important development in connection with the responsibilities of Canada in Indochina. I would just bring back to the attention of the members of the House the role that Canada has played through its membership in three international commissions in Indochina; one international commission in Laos, one in Cambodia and one in Viet Nam. That was an example I used a few moments ago. Here were powers sitting down at Geneva in 1954 to deal with dissensions in these three parts of Indochina. There was in that particular area the possibility, indeed the probability, of a collision of the communist powers on the one side and western countries on the other.

What was done? There was established at the Geneva meeting machinery whereby the situation in these three countries could be stabilized or helped to be stabilized through the presence of international commissions. Canada was and is a member of those international commissions in the three countries, the other members being India and Poland. With the physical manifestation, if nothing else, of these three international commissions the result was that in Laos the Royal Government was enabled to bring about the stabilization of the situation there. There was a reconciliation of the communist forces and the royal force and there came about stability. On May 4 of this year supplementary elections were held in Laos and they indicated to Canada that its task had been performed in Laos through its membership in that commission.

Hence I informed the House recently that the Canadian Delegation to the International Commission for Supervision and control in Laos had introduced a resolution calling for the dissolution of the commission. I wish now to inform the House that the international commission for Laos was adjourned sine die on July 19. There were forces at work there - and you can guess their origin - which resisted the retirement or the adjournment of the Laos international commission.

In the end Canada joined with others in bringing about this adjournment sine die. We made it very clear that we were not getting out by reason of any threats or suggestions by Laotians, but we had in mind the representations made here by Souvanna Phouma, the Prime Minister of Laos, that after the election had been held and the situation stabilized, he felt that the commission would have performed its task. That commission can be reconvened in Laos at the call of the chairman, the representative for India. Canada must be consulted. If we go back by reason of any particular emergency we will always have in mind the rights of the Laotian Government, and we will not interfere with the sovereignty of that country. In the opinion of the Canadian Government, the commission which began its operations in 1954 has completed its task.

With respect to Viet Nam there is tension, as the members of the House well know, between South and North Viet Nam. That situation has not been stabilized. There is a need for the continuation of the work of the international commission in Viet Nam, but we have advice that we can apply a formula similar to the Laos one to Cambodia where the situation has been stabilized.

I seize this opportunity to pay tribute to India, which provided a chairman, for its co-operation, and also to pay a tribute to the success of the Royal Government in Laos in bringing about a reconciliation of the two forces that were indeed hostile to one another. We will now take up the problem with respect to Cambodia. As I indicated a moment ago, we should be able to use the same formula of adjournment.

I come back to this concept that I advanced earlier with respect to Lebanon and with respect to certain other countries in the Middle East. Is there not something in the example of the success of the international commissions in Laos and Cambodia for a solution of some of the problems at least in some of the trouble spots in the Middle East?

DISARMAMENT

I will now speak on the problem of disarmament. It may be that some will have the thought that we should not be talking about disarmament in the particularly vexed situation that we now have. I do not share that view. Indeed, the interest in and the desire for disarmament have been intensified by events in the past few weeks. In order to provide members of the House a perspective with respect to disarmament, a perspective that will be read with deeper concern during the present situation, I am tabling a White Paper with respect to the disarmament discussions in 1957.

I need hardly recall for the information of the House the breakdown of the negotiations that were carried on through the Subcommittee of the Commission on Disarmament established by the United Nations. France, the United Kingdom, the United States and Canada put forward certain proposals on August 29 of last year. They appeared to be a package deal, if I can use that expression. Since the time negotiations broke down, the Russians having flatly rejected the proposals, the countries of the West including Canada have been endeavouring to make clear that those proposals of August 29, 1957, were merely put forward as a basis of discussion. Indeed the Prime Minister in the General Assembly last year and I myself in the political Committee of the United Nations and in the General Assembly urged that the Russians look at those proposals as being flexible. But that situation was not accepted by the U.S.S.R., and little if anything has been done within the United Nations since last autumn with respect to disarmament.

However, there have been some encouraging signs recently of a resumption of negotiations. We were all gratified that President Eisenhower felt it possible to make a suggestion with respect to one kind of disarmament or with respect to certain measures that could lead to one kind of disarmament, and he put those forward to Mr. Khrushchev. We are gratified and encouraged to hear that Mr. Khrushchev has accepted the proposal to establish a technical group for the purpose of examining the possibility of providing adequate supervision and control of nuclear tests and methods for the detection of nuclear tests.

The discussions began in Geneva on July 1 of this year with respect to the scientific problems involved. Even if I knew what had been happening at those discussions I would not understand the scientific problems, but I can say it is authoritatively reported that the talks between the scientists are making headway in an encouraging manner. Without attempting to predict the final outcome of this scientific conference, I am confident that significant findings will be made by this technical group. Canada, as the House knows, is represented there by Dr. O.M. Solandt who has associated with him four other Canadian scientists. The other Canadians are Mr. N. Larnder and Mr. A.K. Longair of the Defence Research Board, Dr. P.L. Willmore of the Dominion Observatory and Professor G.M. Volkoff of the University of British Columbia.

The Government has held the view that after the findings of this group are made known, in which findings we feel confidence could be placed, a method might be arrived at by which to detect nuclear tests, and then the countries carrying on such tests might then come

to a political agreement with respect to the cessation of these tests. This is a view which has been advanced by the Prime Minister throughout the country on several occasions; but let me say that the detection and inspection, the control and supervision of nuclear power do not constitute in themselves a measure of disarmament. They are a means to ensure disarmament; they provide sanctions for a political agreement with respect to a type of disarmament, and I would express the hope that after the successful conclusion of the present technical studies there might be taken what could be regarded as a step having a revolutionary effect on the international climate.

An initial move might be made with respect to the cessation of further nuclear tests, and in that way there might be established some element of mutual trust and confidence, after which the nations concerned could move on to the more complex aspects of a disarmament program. The suspension of nuclear tests with these guarantees as to detection could constitute the first step toward agreement, which agreement would in turn be the first step toward disarmament, even though this would not be the most important measure, which is that having to do with the use of nuclear weapons already proved.

There is another encouraging factor on which I would like to report with respect to disarmament. Mr. Eisenhower proposed that it would be useful to study practical measures to provide required safeguards against surprise attacks and we have been heartened by a rather affirmative reply by Mr. Khrushchev. We in Canada should promote in every possible way the holding of a meeting of scientists of a somewhat similar nature to the present Geneva meeting with respect to the detection of nuclear tests, in order to study means and methods of preventing surprise attacks. This is a matter which is, of course, of very direct concern to this country with particular reference to surprise attacks over the Arctic region.

I am sure I need not spell out the implications of this matter or draw a picture of what we have advocated in this regard. I reported on our advocacy at the Copenhagen meeting. The Russians had indicated - and this I would like to emphasize - that they might be willing to sit down with such a group. I do not think a political agreement would be necessary at this stage, any more than it has been necessary to enter into a political agreement with respect to the holding of nuclear tests while the current meeting of scientists is being held. I propose, however, that scientists should be brought together in order to study this further problem.

One cannot anticipate the measures which the scientists would put forward. They may have to do with electronic or radar devices, or they may be along the lines of ground inspection as proposed by the U.S.S.R., which could operate rather simply as a bilateral exchange of inspectors, or a more strictly supervised international system might be involved under the control of the United Nations. We could, however, make progress in this regard.

The U.S.S.R. has on many occasions replied to the proposal for detection or knowledge of the possibility of surprise attack over the Arctic that this really does not matter very much. To us in Canada, however, it does matter, and the Prime Minister indicated last summer that for the operation of a scheme to prevent surprise attack all of the Canadian territory would be made available on a reciprocal basis if the Russians would give a similar undertaking.

The proposal has now been made by the United States and Canada that both countries would throw open their territories to inspection to ensure against surprise attacks if the Russians would do likewise, but the U.S.S.R. wants this system extended to the United States bases in Europe. The United States has said, we will throw open Europe from the Atlantic to the Urals, but if we go as far as Europe will you also agree to allow inspections of that kind? It seems to me, however, that without decisions at this time as to the exact location of such inspections we would at least make a start by arranging a meeting of scientists to consider effective scientific measures which could be taken in the event that such a political agreement were made.

To come back to the Arctic area, it would be easier to establish a system of control and supervision in that region than it would be in the more populous areas of the North American Continent; but we must arrive at some agreement, however small and paltry it may seem, to take a step forward in order to establish some measure of mutual trust and confidence. We could go on from there to deal with the more difficult areas and more complex problems. We must, however, always be conscious of a dilemma. Every government must be concerned about the security and safety of its people. Any government which failed in that respect would be guilty of a grave sin.

On the other hand, if we are not going to think about the possibility of disarmament, if we are not going to endeavour to take some steps, what is the situation ahead of us and of the world? There is a certain inevitability, an inexorable result, that might flow from a continuation of the building up of armaments on this side and on that side. That is what I meant when I used the word "dilemma" in terms of national and international

security. We will have to break that down and give our people some assurance that we do not admit the abiding necessity of building up armaments, and that we intend - to use an expression that I employed in this House some months ago - to keep our powder dry and at the same time endeavour to make some advance in establishing mutual trust and confidence and come to some understanding with the U.S.S.R. I cannot believe that the peoples of the U.S.S.R. any more than the Canadian people want to go on and on in building up armaments. Indeed, there are suggestions and signs that it concerns them economically now as well as in terms of the possibility of an international conflict that would destroy the governments and many people of all countries.

AID TO UNDERDEVELOPED COUNTRIES

I should now like to refer to another device of the U.S.S.R., and that is the economic device to the end that they might obtain and could obtain world domination. They have been infiltrating into countries in various parts of the world that are not yet committed to the U.S.S.R., to the communist group, and not committed to the West. By economic penetration, by barter systems and loans and other means they are making advances in that regard. To me that might mean that they will win the victory in their search for world domination without ever firing a shot. I regard this as one of the most urgent aspects of our foreign relations and one of our major contributions to peace, the aid and assistance particularly of underdeveloped countries, and I know I speak for the Canadian Government when I say this. There are measures that are being taken - but I think they should be increased - to respond to this challenge.

With respect to Canada's role, during the past year we have continued to support the Colombo Plan and the Specialized Agencies within the United Nations. Indeed, in several instances the support has been increased as compared with the year before.

The Colombo Plan operates under the broad umbrella of an annual consultative conference. It really works out, though, that the assistance is given by bilateral arrangements between Canada and some other country, and out of these arrangements come discussions that have to do with the plans and priorities of the recipient country. There has been no suggestion on Canada's part, and I think it is wise and will be effective in the long run, of any political strings attached to the gifts.

With respect to the Colombo Plan, there are two countries that are not within the Colombo Plan but for which we have a deep concern, namely Ghana and the British West Indies. This House has been informed of the contributions that have been made to Ghana in terms of personnel and to

the British West Indies also in terms of personnel. I will not take the time of the House to inform you with respect to the men who are now in those two countries, men who are particularly well qualified in their own chosen field, in order that they may assist these newly emerging countries and also help them to help themselves. The bulk of Canada's aid, however, is now under the Colombo Plan which is being directed to those parts of the world for which we have a special concern.

With respect to economic aid, I would remind the House that Canada has contributed to the establishment and the sustenance of the International Bank for Reconstruction and Development, and we would hope that agency could be strengthened. We can take pride that Canada, on a per capita basis, is the second largest contributor to United Nations Technical Assistance; but getting away from the per capita yardstick, Canada is the fifth country of the world in terms of total contributions to the United Nations in her technical assistance and relief programmes.

Hon. members may recall - I am certain that those who were members of the Committee on External Affairs last session will recall - that there was much consideration given to the possibility of establishing a fund within the United Nations to be known as SUNFED. That concept as conceived at the United Nations was given up and in its place there was proposed the establishment of a special fund. This proposal was referred to a preparatory committee of the United Nations on which Canada was represented. The Economic and Social Council is now considering the report of this preparatory committee, and at the next General Assembly the final details should be settled and a new instrument of United Nations aid achieved. Canada has indicated that it would consider making an appropriate contribution to this fund provided that the organizational arrangements are well designed and provided that there is broad support for the proposal among, particularly, the contributor nations.

During the last session, information was given to the House with respect to Canada's extension of its aid in terms of flour and **wheat** in emergency situations.

I would go back for a moment to the West Indian contribution. I recall that a few weeks ago the hon. member for Laurier asked a question with respect to the giving by Canada of a steamship for interisland communication in the British West Indies. I intimated then that there would be a team of shipping and shipbuilding experts sent from Canada. That team has been to Port of Spain and has now returned. We expect that a report will be made in due course concerning the specifications for the new ship that Canada has undertaken to build and give to the British West Indies.

We will be holding a conference with respect to trade and economic matters within the Commonwealth at Montreal in September of this year. There will be on the agenda of that conference an item relating to the economic progress of the underdeveloped parts of the Commonwealth. I am confident that through those discussions Canada can make a further contribution in respect of those nations to which I referred, a contribution not only of capital but also in terms of technical assistance. I should not like to leave the impression that under the Colombo Plan and other systems of aid to underdeveloped countries Canada has forgotten underdeveloped countries that are not members of the Commonwealth. The most of our assistance, however, has gone to the Commonwealth countries and, as I intimated a moment ago, further thought will be given to these matters in the context of the Montreal meeting.

My foregoing remarks have to do with countering the movements of the U.S.S.R. in the economic field. Indeed it is a fact, Mr. Speaker, that the West has given more and has been giving more for a longer time to underdeveloped parts of the world than the Soviet bloc. They are paying us the compliment now of following our activities in that regard, but you may be sure that their gifts always have a political string attached to them. I do not think we should ever endeavour to counter every Soviet gesture. We should work steadily, in co-operation with the people of those countries, within their plans and priorities in our earnest desire to help them and to bring reality to their hopes. In this way we can best counter the Russian activities in this regard and we can contribute to the peace and prosperity of the world.

I eagerly look forward to this debate and to the discussion in the meetings of the committee on external affairs, to the end that in the formulation of its external policy and in the implementation of this policy, Canada can speak with a strong voice.

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No. 58/31

REPORT ON LAW OF SEA CONFERENCE

Statement by Mr. Alvin Hamilton, Minister of Northern Affairs and National Resources, in the House of Commons, July 25, 1958

I would like to take advantage of this debate on external affairs to report to the House of Canada's participation in a very important international gathering which took place some three or four months ago...the International Conference on the Law of the Sea held at the European headquarters of the United Nations in Geneva between February 24 and April 28 of this year. Sometimes in our preoccupation with the high principles and great hopes of the peoples of the world for the achievement of a family of nations living at peace with one another we forget the ordinary workaday procedures of the many hundreds of delegates and representatives of various countries who work, without the bright lights of publicity upon their efforts, and yet move steadily forward in man's progress towards a more peaceful state. This report is a record of one of the more prosaic but none the less tangible steps forward made by mankind in its long and slow progress towards a peaceful civilization.

This Conference is one of the most significant of international conferences of recent years and one that has achieved far-reaching results. It is true that much more was heard of the failure of the Conference to reach agreement on the matter of fishing limits and the breadth of the territorial seas but may I remind the House and the nation that this was merely one article of 74. One hardly ever hears of the articles passed and which became part of international law, but this had a tremendous range of conflicting interests, namely those of 86 different nations. In order to achieve any sort of agreement with so much complexity and among so many nations is in itself a very substantial achievement.

It will, I know, be a source of satisfaction to hon. members on all sides of the House to learn that during the deliberations the Canadian Delegation played a leading role

and its contribution, throughout the nine weeks of the conference will long be remembered as one of the outstanding features of the Conference. A good deal of the credit for this must go to the Honourable George Drew who gave such vigorous and imaginative leadership to the Canadian Delegation and to the able and devoted team of officials who assisted Mr. Drew as members of the Delegation. During my own brief visit to Geneva I was able to observe at first hand that Mr. Drew was regarded on all sides as one of the persons playing a very major part in the Conference and one to whom the success of many of the negotiations was due.

It is worth while recalling here that the last conference of a similar type on the Law of the Sea was held at The Hague in 1930. It was known as The Hague Codification Conference. At that time some 40 nations participated and the International Conference broke down on a single issue, the question of the breadth of the territorial sea. Twenty-eight years later with twice as many nations participating it seems rather significant that this same obstacle to agreement did not bring the Conference to failure. The significant thing is that the participants achieved many things that went far beyond anything achieved in the whole history of international law since mankind first began to keep its history.

Specifically, the Conference produced four international conventions as well as a protocol providing for the judicial settlement of disputes. These four conventions were (1) a convention on the high seas; (2) a convention on fishing and the conservation of the living resources of the high seas; (3) a convention on the continental shelf; and (4) a convention on the territorial sea and contiguous zone. It was on April 29 that Mr. Drew signed these conventions on behalf of Canada as well as the protocol on the settlement of disputes and the final act of the Conference. I might say that Canada was the first nation to sign all six of the instruments embodying the results of the Conference. The four conventions and the protocol on the settlement of disputes are, of course, subject to ratification by the Government of Canada and will not enter into force until ratified by at least 22 nations....

Background

Before dealing in more detail with the conventions and their significance to Canada it might be of interest to provide a little background on the events leading up to the Conference and the method of work adopted by the Conference. The Conference was called as a result of a resolution by the General Assembly of the United Nations on February 21, 1957-- Resolution 1105XL. It grew out of the studies and recommendations made over the years by the International Law Commission of the United Nations which had been meeting since the initial formation of the United Nations in 1946. The Commission had given very intensive study to all aspects of maritime law and

then produced an extremely comprehensive report. It provided for 73 articles and was a compilation of all the rules of the sea which have been adopted over the years by the various nations. These 73 recommendations or rules have two different aspects to them. On the one hand they sought to codify all existing international law where there was already in existence extensive practice, precedent and doctrine. Then, on the other hand, they were concerned with the progressive development of international law on matters such as the continental shelf that were as yet largely unregulated because 30 years ago at The Hague Conference they hardly thought of such a thing. And then, in addition, the Conference was asked by the General Assembly to consider a matter not included within the compass of the International Law Commission report, the question of access to the sea by landlocked countries.

After a brief plenary session the conference resolved itself into five committees of the whole, each of which was charged with the consideration of a group of related articles. The results of the committees' work were considered in the final plenary sessions during the last week of the Conference. The committees and the subject matter referred to each were as follows: Committee I, the territorial sea and contiguous zone, and specifically Articles 1 to 25 and Article 66 of the original I.L.C. report; Committee II, the high seas, general regime, and specifically Articles 26 to 48 and 61 to 65; Committee III, the high seas, fishing, and specifically Articles 48 to 60; Committee IV, the continental shelf, and specifically Articles 67 to 73; and Committee V, access to the sea of landlocked countries. That was a new subject to be discussed at the Conference itself. It will be seen that the breakdown of the Conference into these five committees follows in general the subjects of the conventions I have already listed.

Agreement on Shelf

It may be of interest at this point to comment briefly on some of the results of the Conference which were of particular significance to Canada. In commenting on this I might point out that for the first time in history there is now an international agreement on the continental shelf. I mention this first because it is usually lost sight of because this subject was uneventful in terms of news coverage and as far as producing quarrels or differences is concerned.

The Continental Shelf Convention gives to the coastal state sovereign rights over the exploration and exploitation of the natural resources of the sea bed and subsoil off its coast out to a depth of 200 meters. It also provides that these rights may be exercised beyond the depth if the exploitation of the resources is a practical possibility. In the long term, this agreement may have consequences of far-reaching importance to Canada in the development of underwater oil and mineral resources. It means, in effect, a very substantial addition to the potential area of Canada's natural resources. Those

who have followed with interest the development of techniques in the exploration of resources know that we can drill for oil at depths of 1,500 feet under the surface of the sea.

It is not without significance that it was a proposal put forward by Canada in Committee IV that led to the adoption of the Convention on the continental shelf nor is it without significance that it was a Canadian proposal to the final plenary session that led to a prohibition against reservations to the three main substantive articles in the Convention. To have permitted these reservations might have undermined the whole purpose of the Convention. Finally, it was not without significance that it was Canada which proposed that this Convention should enter into force when signed by 22 nations instead of 50 as proposed by another power.

High Seas Fishing

The second convention dealt with fishing and the conservation of the living resources of the high seas. The Convention on High Seas Fishing is the first such general convention regulating high seas fishing and it accords well with Canadian interests. It recognizes the special interest of the coastal state in maintaining the productivity of the living resources of the high seas in areas adjacent to its territorial sea. It also entitles the coastal state to take part on an equal footing in any system of research or regulation of purposes of conservation in that area even though its own nationals may not carry on fishing there. To all people who understand the importance of fishing to under-developed countries, the significance of this particular article is self-evident. Further, it provides that when conservation measures in the high seas have been adopted by a coastal state, they must be observed by fishermen from other countries. And then finally, under emergency circumstances, coastal states may unilaterally enact the necessary conservation measures on the high seas.

The third feature to Canada was the question of straight base lines and bays. To those of us who live in the island portions of Canada the fact that our coastline is very irregular hardly comes to our attention but in trying to define territorial waters the sinuosity of our coastline is a matter that gives us considerable concern and therefore these regulations in this regard, as drafted and codified by this International Law of the Sea, are very important to the future of our country.

In the Convention on the territorial sea and the contiguous zone, Article 4 provides that where the coast is deeply indented the method of drawing straight base lines from headland to headland may be followed in setting the boundary of the territorial sea rather than following the sinuosities of the coastline. I think the importance of that can be realized. Thirdly, our shoreline now in so far as the territorial sea is concerned is not the line of the high water mark or the low water mark; it is a line drawn

from headland to headland. This provision, which reflects the 1951 decision in the well-known Anglo-Norwegian fisheries case is of particular interest to Canada because much of our coastline is deeply indented, as I have already pointed out.

In the committee stage there was a move to impose a limitation of 15 miles on straight baselines which would have had undesirable results for us. However, action by Canada in the plenary session was successful in having this limitation removed. The Conference also adopted a provision recognizing that bays with mouths of 24 miles or less are to be regarded as internal waters. This limitation would not, of course, affect bays along coasts where the baseline system is applicable.

The fourth convention deals with the general law of the high seas. The Convention on the High Seas has perhaps less significance for Canada than the others because, in the main, it simply codifies existing international law. It provides for the first time a systematic compilation of recognized international law on a number of important matters and seeks to ensure the maximum freedom of the high seas. This applies not only to navigation but to fishing on the high seas, flying over the high seas and such activities as the laying of submarine cables and the building of pipe lines under the high seas.

Among other things, the Convention deals with such matters as the nationality of ships, safety of life at sea, the suppression of piracy and the slave trade, the right of hot pursuit in certain circumstances and the prevention of pollution of the seas by the discharge of oil or the dumping of radioactive waste. It was, Mr. Speaker, a very thorough compilation of the existing laws of the sea into a code which we now hope will be ratified by the great majority of the nations of the world.

I have referred in brief summary, Mr. Speaker, to some of the highlights of the four conventions. Now I would like to turn to the question of the breadth of the territorial sea and the related question of coastal fishing zones. It is on this subject, of course, that the publicity was given which attracted such widespread public interest. It is unfortunate in one way that this aspect of the Conference's work reached so much public interest because it tended to obscure many of the more constructive achievements of the Conference. I would like to give some of the background of this matter of the breadth of the territorial sea to see whether we cannot make clear what the problem is and the importance of Canada's contribution so far and what we think it can be in the future.

There has been no uniform practice, Mr. Speaker, in so far as the breadth of the territorial sea is concerned. Generally speaking, the great maritime nations have accepted and enforced the three-mile territorial sea off the coasts of the various countries of the world. Many countries for

many years have had breadths of the territorial sea off their countries far more than three miles. There are countries with a four-mile territorial sea; there are several with a six-mile territorial sea and there is one with a nine-mile territorial sea--that is Mexico--and the Soviet Union has a 12-mile territorial sea. Some go beyond that, even to the extent of 200 miles. This great variety of claims on the breadth of the territorial sea indicates that there is no such thing as uniformity. Generally speaking, the maritime powers have insisted on and recognized only three miles, even though there has not been any direct challenge to the countries that have territorial seas of different widths. As a matter of interest, the U.S.S.R. has a territorial sea of 12 miles, going back to the days of the Czars and it is not likely that anyone is going to challenge anything that has been in existence for over 50 years.

Having given this background, I think it is now fitting for me to point out that this problem was so complex that the International Law Commission did not make any definite recommendations to this general conference of the United Nations on this matter, but simply pointed out that 12 miles in its opinion was the maximum limit that they thought should exist. Now, for some time Canada has felt that a 12-mile limit was necessary to protect our fishing interests but we have recognized that an extension of the territorial sea to 12 miles might jeopardize the proper interests of those nations and those people who want to maintain freedom of the sea and freedom for air navigation. Therefore, our dilemma was, how could we reconcile the defence interests, freedom of the seas and the freedom of the air, which really requires a very narrow territorial sea, and the needs of our people on our coasts for some priority in harvesting the fish off their shores?

It is a matter of general knowledge, Mr. Speaker, that at the present time by Canadian law we have forbidden Canadian trawlers to fish within 12 miles of our coasts, and yet, because there is no international law, the trawlers from foreign nations can come inside our 12-mile limit and do fish in waters that the Canadian people do not allow Canadian trawlers to fish in. Quite frankly, we would like to reserve those first 12 miles off our shores for the people who cannot afford the big trawlers and who would like to make a living out of this band of water that they can get to and from with their limited resources as far as capital equipment is concerned.

Now, that was the problem that we faced at this Conference, and this goes back for several months and years. The Canadian Government proposed what became known as the Canadian proposal. This was first put forward two years ago. Reduced to its simplest terms it was an attempt to reconcile the interests of defence, freedom of the seas and freedom of

the air with the interest of the people who live in coastal states and whose living is largely dependent on the products of the sea off that coast. This Canadian proposal was very simply to have a three-mile territorial sea but to have an additional nine miles in which the coastal state would have exclusive rights for fishing. This became known in our minds at least as the three-and-nine mile proposal, three miles of territorial sea, and nine additional miles in which the littoral state would have exclusive fishing rights. At the present time under international law coastal states have certain rights in that 12-mile area with respect to sanitation, fiscal arrangements, customs arrangements and immigration and we thought we would like to extend that principle to include fishing.

I think it can be said, Mr. Speaker, that this suggestion was acceptable to Canadians generally and was supported by all political parties. During the Conference the basic conflict was between those states which have fishing interests off their own coasts and those that wish to see the widest measure of freedom to secure or to maintain fishing rights in distant waters off the coasts of other countries. The Canadian suggestion of a fishing zone in which a coastal state would have the same fishing rights as in its territorial sea was an entirely new concept and from the time of its introduction by Mr. Drew at Geneva it affected profoundly the whole course of discussion. Canada played a major role throughout the discussions and negotiations on this matter and it was not for any lack of initiative or good will on the part of Mr. Drew and the Canadian Delegation that the Canadian effort to achieve a satisfactory solution was not crowned with some success.

Here I might note that one of the most significant features of the Conference was the importance of the position taken by Canada to the newer national states. The Canadian Delegation was keenly aware of the legitimate aspirations of these newer nations which have neither traditional claims to establish fishing rights in distant fishing waters nor well developed fisheries in their own offshore waters but which are looking more and more to this important source of food and income as a part of their national birthright. In plain language, Mr. Speaker, Canada took the lead among these newer national states in trying to achieve greater economic security and stability for their own people and at the same time to express the new nationalism of their people in a responsible manner. We were very keenly aware of the legitimate demands of these nations.

Our delegation enjoyed the very closest and friendliest relations with the African and Asian Delegates, particularly with the very able delegates from our Commonwealth partners, Sir Claude Correa from Ceylon, Mr. Bing who represented the new Commonwealth nation of Ghana, Mr. Suffian from Malaya and Dr. Bhutto from Pakistan. I want to acknowledge the constructive

and important contribution of the delegation from India under the leadership of Dr. Sann.

We also had occasion to work very closely with the delegation from Mexico, particularly Dr. Robles who represented that delegation on the First Committee. I should like to pay a war tribute to Prince Wan of Thailand, the President of the Conference, to the able chairmen of the five main committees and in particular, Professor K.G. Bailey, Solicitor General of Australia, who presided over the deliberations of the First Committee which dealt with the vexing problem of the breadth of the territorial sea and fishing zone.

I should like to relate to the House, if I may, an anecdote which occurred on the Friday preceding the very tense and dramatic voting on Saturday in the second last week of the conference when Mr. Dean made a very brilliant exposition of the United States proposal lasting for 45 or 50 minutes. The hon. Mr. Drew representing the Canadian Delegation spontaneously walked up to the podium without notes and, taking about 45 minutes, put forward in one of the most brilliant presentations the case of Canada and the smaller nations as opposed to those who had so-called traditional fishing claims in distant waters. Professor Bailey, the chairman, got up and told the assembled delegates that they would rarely see such a high standard of parliamentary presentation of argument as they had witnessed that day and the whole convention floor of delegates of 86 nations took time out to applaud these two very fine men.

It is my impression that the significance of the Canadian proposal, which was adopted by a simple majority vote of the Committee but which did not get the necessary two-thirds majority in the plenary session, was made quite evident in spite of the bitter opposition from most of the major powers. It is my impression that the majority vote accorded the Canadian proposal in committee represents the first time in any United Nations conference that an important substantive matter has passed without the support of any of the five permanent members of the Security Council. I wish the House could see the picture as I saw it with the United Kingdom, the United States, China, France and the U.S.S.R., together with all their friends over whom they have influence and exercise persuasion, massed against Canada, India, Mexico, Libya and many of the newer and younger nations reaching out for some claim to fish in the waters off their coasts. I wish hon. members could have been there to see the little nations, in spite of all the pressure of the five permanent members of the Security Council united on one side of a very important substantive issue, mustering a majority. I believe that is the first time the five permanent members have been defeated when they were on one side of an issue.

Although the Canadian proposal was rejected in the plenary session, a new concept of international law has been introduced which must surely be taken into account in any future consideration of this question. In the early stages of the conference the United States of America supported the Canadian proposals. Later, however, the United States Delegation

introduced a proposal of its own for a 6-mile territorial sea with an additional fishing zone. The fishing zone in the United States proposal, however, was not exclusive because it granted so-called traditional rights in perpetuity in the 6-mile zone.

The United Kingdom had introduced earlier a 6-mile territorial sea proposal which was in reality a 3-mile territorial sea with an additional 3-mile fishing zone. The Canadian Delegation made every effort to accommodate these two important and friendly partners. As a matter of fact, it was very much because of our concern over the defence aspects so far as the United Kingdom and the United States were concerned that we originally introduced the proposal for a 3-mile territorial sea and 9-mile fishing zone instead of a straight 12-mile territorial sea.

It was very disappointing when first the United Kingdom and then the United States abandoned the 3-mile rule after we had made such efforts to accommodate them, and after this development the Canadian Delegation felt justified in converting its proposal into a 6-mile territorial sea with an additional 6-mile fishing zone, the form in which it received a majority in the committee vote, in an effort to reach general agreement. Therefore, Mr. Speaker, in the final analysis the central issue before the Conference was not whether there should be a fishing zone but whether it should be subject to existing traditional rights as proposed by the United States or whether it should be exclusive and without impediment as proposed by Canada.

It is quite evident that the Canadian proposal had a tremendous impact on the Conference. Without this concept there would have been no hope whatever of agreement because of the basic conflict between those states interested in coastal fishing rights and those interested in maintaining the maximum freedom of the high seas. This question remains unsettled for the moment, but it has not been forgotten and is still under very active international consideration. I might point out in this connection that the Conference adopted a resolution put forward by Cuba in these words:

--to request the General Assembly to study at its thirteenth session (1958) the advisability of convening a second international conference of plenipotentiaries for further consideration of the question left unsettled by the present conference.

It is felt in New York, Mr. Speaker, that the Canadian Delegation will press for a second conference to be held at the earliest possible date to carry on the consideration of this question. I think it is safe to assume that any solution ultimately arrived at will incorporate the Canadian fishing zone concept in one form or another. At any rate, the Canadian position remains that the concept of an exclusive fishing zone should be adopted, and our efforts will be directed to this end. Agreement on a regime of law is very important to us,

and to all countries. Without it, conflict and disagreement are inevitable, with dangers to the peace and welfare of all countries.

I believe, Mr. Speaker, that agreement can be reached, and when it is achieved Canada will have played a significant part in reaching it. In closing, may I repeat that in spite of the fact that the questions of the territorial sea and the fishing zones have not yet been completely resolved, the Conference on the Law of the Sea can be regarded, both from the Canadian viewpoint and from the standpoint of strengthening international relations, as a most significant milestone.

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No. 58/32

UN EMERGENCY SESSION ON MIDDLE EAST CRISIS

Statement by Mr. Sidney E. Smith, Secretary of State for External Affairs, in the House of Commons, August 23, 1958.

I welcome this opportunity to give to the members of the committee a report on the proceedings of the special emergency meeting of the General Assembly of the United Nations which was adjourned on Thursday evening last.

I have prepared a statement for the information of the members of the committee. That statement will have to do with an account of the proceedings, and then I will attempt to offer some evaluation of what was achieved there, the part the Canadian Delegation attempted to play, and some ideas about the immediate and long-term future that the unanimously adopted resolution may have for the peace and security of the world.

I would begin, Mr. Chairman, by recalling very briefly why the emergency special meeting of the General Assembly was convened. As we all know, Mr. Chairman, the immediate reason for holding this special emergency meeting of the General Assembly was the fact that the Security Council on August 7 had under consideration complaints that had been made to the Security Council by Lebanon and by the Hashemite Kingdom of Jordan concerning interference by other countries in their domestic affairs.

It had, of course, been hoped in the period immediately prior to that meeting that some means of resolving the issue involved might be found through the calling of a Security Council meeting of a rather special character, at which heads of state might attend and at which heads of states, great powers and others, could get together, formally and informally to discuss problems of the Middle East. Many of us had in mind that at such a meeting at a high level other countries which were not members, which were not represented on the Security Council but which were directly concerned with the problems of the Middle East, would be given an opportunity to present their views concerning those problems.

I am sure, Mr. Chairman, that hon. members will recall the Canadian Government advocated the holding of such a meeting within the framework of the Security Council; but when it became apparent that further action in the Security Council was no longer possible, having regard to the lack of unanimity among the permanent members of the Security Council and the use of the veto by the U.S.S.R., the questions at issue were transferred to the General Assembly and there was called by the U.S.S.R. an emergency special session under the procedures envisaged in the uniting for peace resolution of November 3, 1950.

At that time the Canadian Government took the stand that since a solution of the Middle East questions was still to be pursued within the United Nations framework, we were prepared to support efforts within the General Assembly toward the finding of a solution of those problems.

Without going into detail of the underlying reasons for the transfer of those complaints from the Security Council to the General Assembly, I will simply say that the Soviet Union apparently decided that it might stand to gain by such a change of forum which would afford a better sounding board for propaganda steps; but I would remind the committee that the United States Government had placed before the Security Council a proposal that a meeting of the General Assembly should be held, provided that the discussions and deliberations within the Security Council broke down.

Main Statements

There were three main statements of position at the start of the general debate at the emergency session of the General Assembly, and those three statements afford a background for what happened in the next 10 days. The first statement was made by the Secretary-General on August 8, and I would interpolate here that by that statement on August 8 at the so-called pro forma meeting of the General Assembly the Secretary-General indeed set the tone for a constructive debate. He outlined on that occasion what he termed some of the basic needs for action in the region of the Middle East and suggested the desirability of finding a formula by which the affairs of the states of the region could be looked at very carefully and whereby they could take a more positive attitude with respect to the affairs of their neighbours.

Second, in that introductory statement he emphasized the need of finding a formula to permit a United Nations solution to the problems of Lebanon and Jordan. Third, he held forth on the need for a co-operative approach to the economic problems of the Arab Middle East. While he made no specific proposals, he succeeded on that occasion in drawing the attention of the 80 nations represented in the General Assembly to the important truth that the key to the problems of the region rests largely in the hands of the states of the area themselves.

The second important contribution made to the opening discussions at the emergency session of the General Assembly was made by the President of the United States of America. On August 13 he successfully attempted to translate some of the principles enunciated by the Secretary-General into positive proposals. Members of The House no doubt will recall having seen references to his six points in the press. He addressed himself in a positive fashion not only to the immediate but to the long term problems of the Middle East, and I would say here that in his address to the General Assembly President Eisenhower insisted at all times that any remedy for the anxious situation there and any solutions to the problems must be put forward and carried out by the United Nations. He took great care to say that he was not suggesting that the United States alone should carry out these measures, but rather would promote solutions of short term and long term problems under the aegis of the United Nations.

I would mention in this context that the President emphasized, as did the Secretary-General on August 8, the need to recognize the right of the peoples of the Arab nations to determine their own destinies, and he stated positively that no one could ever envisage solutions to their problems which would be permanent if they were in any manner imposed on the nations of the Middle East.

The third statement to which I should like to refer is that made by Mr. Selwyn Lloyd, the Foreign Secretary of the United Kingdom, who promptly endorsed President Eisenhower's remarks. That is the background which set the stage for the very constructive and profitable debate.

However, I have a fourth statement in mind to which I should like to refer. At an early stage of the meetings of the emergency session of the General Assembly we had the draft resolution and supporting statements of the Soviet Union. Far from attempting to broaden or build upon the constructive approach that had been made by the Secretary-General, the President of the United States and the Foreign Secretary of the United Kingdom, the Soviet resolution was essentially negative, dwelling solely on the question of withdrawal of United States and United Kingdom forces from Lebanon and Jordan.

The Soviet resolution disregarded other Middle East issues, such as the economic issue and the political issue, that were directly involved in the deliberations of the Security Council and would have to be taken into consideration if anything constructive were to come out of the emergency session of the General Assembly. Those were disregarded. The role assigned to the United Nations by the draft resolution of the U.S.S.R. would be that the Secretary-General would be given no opportunity to eliminate the underlying causes of tension in that area.

Furthermore, the accusing overtones of the statement by Mr. Gromyko when he presented the U.S.S.R. resolution, a statement which alleged aggression on the part of the United States and the United Kingdom, were clearly designed to be destructive, and held no hope or promise for reasonable and moderate discussion in the Assembly free of propaganda of the cold war.

The Soviet resolution, was the only one that at that time was before the emergency session of the General Assembly, and may I also say here that it had no prospect of adoption because the majority of delegations recognized that this emergency session of the General Assembly had been convened to do much more than simply arrange for the substitution of United Nations action for national action in Lebanon and Jordan.

That was the only resolution. By reason of that fact, the narrow and negative basis of the Soviet resolution, several countries wondered whether they could not offer to the General Assembly a resolution that would be more constructive, one that would be much more satisfactory, than the one that had been proposed by the U.S.S.R.; a resolution that would lay the ground work for a comprehensive consideration of the problems of the Middle East; a resolution that would use the Secretary-General as its instrument, the instrument of the United Nations in this particular field of trouble and excitement; a resolution that would lay the foundations for durable peace and stability in the area.

Canada-Norway Resolution

So, as so often happens, it fell to certain middle powers to undertake the difficult task of devising a resolution which would seek to attain this objective, while at the same time taking into consideration the many widely divergent points of view and conflicting interests. So Canada and Norway found themselves playing a leading role in presenting to the General Assembly a type of resolution that would be constructive and comprehensive as compared with the essentially negative one that had been presented by Mr. Gromyko of the U.S.S.R.

I seize this opportunity, Mr. Chairman, to pay a tribute to the devotion and the vision of the Norwegian Delegation, and I single out among that delegation the Norwegian Foreign Minister, Mr. Hans Engen, for his hard work, his tact, and his vision with respect to the formulating of a resolution that would accomplish those objectives to which I have referred. While that was going on and we were formulating this Canadian-Norwegian resolution there were other representatives particularly in the Afro-Asian group, who were active in drafting their own resolution which reflected their overriding reoccupation with the question of troop withdrawal. The Norwegian and Canadian Delegations, on the other hand, were striving, as I have indicated previously, for something much broader both in terms of Assembly support and of what would enable the United Nations to attempt something by way of a permanent settlement; a resolution that would enable the United Nations, through the Secretary-General and otherwise, to get at the basic roots of the Middle East problem and not to deal

only with the symptoms of that situation.

For our part we in the Canadian Delegation kept certain principles and objectives clearly before us throughout the whole period of intense negotiation which led up to the introduction of the Canadian-Norwegian resolution, with which were associated five other sponsors. In the first place-and I dwell on this point, Mr. Chairman-we in the Canadian Delegation wanted something which would command the support of the Arabs themselves; for it seemed obvious that there could be no durable settlement in the Middle East without not only the consent of the Arab countries but their active co-operation. It might have been possible-I think it would have been possible-for the Canadian-Norwegian resolution to carry the required two-thirds majority vote; but if the Arabs were opposed to that resolution we could not look forward to any success in seeking to solve the problems of the Middle East.

The second principle that the Canadian Delegation had in mind always-and I say again throughout the intensive negotiations-was that regional support alone, the support of the Arab countries, would not be enough or would not suffice without the complementary support and co-operation of the great powers, all of whom are committed in various ways in the disputes of the Middle East.

Third, the Canadian Delegation was intent upon finding a reasonable solution satisfactory to all the principal states concerned to cover the problem that had been brought forward on many occasions, the problem of troop withdrawal. This would have to be something which would give to the United Nations and particularly to the Secretary-General a central role without, however, confining the mandate to the narrow issue of troop withdrawal.

It would at the same time-I refer to the draft resolution-we hoped create a situation by which the United Nations would be enabled to exert a benevolent and constructive influence not only in the present but in the future in the Middle East, through helping to establish an economic institution for the collective benefit of the Arab states and to provide perhaps an economic undergirding-economics and politics are closely interlocked and intertwined-that would make for a new and happier basis for the relations not only among themselves but with the neighbouring states in the area. I say "among themselves". I am, of course, referring to the Arab nations; and I reiterate, not only to provide a new and happier basis for relations among themselves but also with the neighbouring states in the area.

We did not expect necessarily to have all these principles and objectives set forth in detail in the resolution. But what the Canadian Delegation wanted was to find a starting point from which the objective which I have endeavoured to describe here today could be pursued.

We were aware at the outset that we would have to rely on the ability and good offices of the Secretary-General to carry out both the letter and the spirit of the draft resolution. I will not attempt to recount in detail the long and intensive negotiations which went into the formulation of the seven power draft presented on August 18. We will look at the draft for a moment, but in a general way.

May I say that the draft was revised at least seven times as to context, which will indicate the care given to the particular views advanced by the various countries and groups of countries from time to time. At one time we believed we had a workable resolution, but then the attitude of the distinguished delegate from Jordan certainly surprised us and seemed to make it impossible for us to carry out the design which we had prepared for our resolution. Members of the committee may recall that the representative of Jordan in his statement to the General Assembly appeared to reject any substantial role for the United Nations within Jordan, and he seemed to oppose on behalf of his Government the presence of any United Nations representatives or any United Nations instrumentality within the territorial boundaries of his country with one possible exception and one had to look through a magnifying glass to discern that exception. However, that roadblock was removed within 24 hours, when the Jordanian representative subsequently modified his position.

The essential elements of the resolution which we co-sponsored may be described in these words. It reaffirmed that all member states of the United Nations should refrain from action which might impair the freedom, independence or integrity of any state, which might cause civil strife or subvert the will of the people in any state; and it called upon all member states to observe these obligations especially in the area in question. It requested the Secretary-General to make such practical arrangements after consultation with the governments concerned as were deemed necessary, and who could do this better than the Secretary-General? But he would have to do it on the spot.

May I refer for the moment to the U.S.S.R. resolution in this context. That resolution instructed the Secretary-General to go to Lebanon and Jordan for the purpose of supervising the withdrawal of troops, and nothing more. But our resolution, and I am not giving away any secrets when I say this, met with the entire satisfaction of the Secretary-General, although it imposed a great load upon him. In our final resolution the Secretary-General was to make such practical arrangements as he, in consultation with the governments concerned, might find would adequately serve to help in upholding the purposes and principles of the Charter in relation to Lebanon and Jordan in the circumstances obtaining at the time in those countries.

In our resolution the question of withdrawal of the troops of the United States and the United Kingdom was not the subject of a specific provision, but in the preambular clause it was noted by the General Assembly that declarations were addressed to the President of the General Assembly in the letters

written to him on August 18 by the representatives of the Governments of the United States and the United Kingdom, in which they stated their willingness and desire to withdraw from Lebanon and Jordan respectively when the United Nations could take effective action to ensure, without regard to any regime or political party, stability and security in those countries.

Therefore the resolution sponsored by Norway, Canada and the five other countries did not, as I have said, expressly refer to withdrawals but implicitly made provision for the withdrawal of those forces by ensuring the mandate of the Secretary-General in the light of the United States and United Kingdom declarations as contained in the letters to which I have referred.

Finally, the seven power draft resolution-the Canada-Norway resolution-invited the Secretary-General to continue his studies with respect to the feasibility of establishing a stand-by United Nations Peace Force. Hon. members will recall that in this House during the earlier discussion on external affairs I expressed the view of the Government in that regard, and we welcomed the insertion of a reference to a stand-by force.

In the seven-power resolution there was also a statement to the effect that careful study would be given to the question of economic development in the countries of the Middle East, and it urged the Arab-countries in explicit terms to study the representations made to them by the Secretary-General, which were endorsed by the President of the United States. It also requested the member states to co-operate fully in the carrying out of those studies and to assist in implementing the more positive and operative parts of the resolution. Finally, it invited the Secretary-General to report on his activities in trying to establish agreement among the Arab countries, the first of such reports being required to be made to the General Assembly by not later than September 30, 1958.

While the seven-power draft does conform to the principles and does meet the main objectives which had governed the Canadian approach, we were at the same time conscious of the shortcomings of that resolution. I endeavoured to make it clear, on behalf not only of Canada but of the other co-sponsors, in my statement in support of the resolution on August 19, 1958 that we were open to constructive suggestions with respect to its improvement. I stated particularly and at once that if it were to serve to secure great power and regional support we immediately conceded that the resolution could not be considered by any country or group of countries as perfect. In the atmosphere which prevailed on Tuesday of this week however, this resolution undoubtedly offered the only common denominator which would warrant broad support as a formula for the reconciliation of conflicting interests.

I referred once again at that stage to the negative aspect of the other resolution which had been tabled by the U.S.S.R. I stated on behalf of Canada that our resolution could serve as a point of departure to reconcile some of the conflicting interests, and expressed the hope that it would serve as a basis for discussion. It must be remembered that we had been negotiating for nearly a week and nothing positive had been put before the Assembly in terms of a resolution. There was nothing of that kind on which to centre the attention of the General Assembly other than the unsatisfactory and negative Soviet resolution.

There was a general and intense will-we could sense it-in the meeting of the General Assembly to study anything which seemed to carry with it a plan for the future and not just a consideration past events. This resolution gave a new focal point on Tuesday afternoon for the attention of the representatives of the nations who were in that hall on that occasion. In my statement in support of the resolution I frankly admitted-and I say this for the third time in words other than those I have already used-the shortcomings of the text which was presented in the resolution, but I say without any conceit and without any lack of modesty that I have reason to believe that these observations by Canada's Delegation gave some hope for a common point of view coming of the Arab ranks.

Arab Resolution

While the debate on the Canadian-Norwegian resolution was taking place on Wednesday there occurred what was indeed a dramatic and sudden reappraisal from the Arab ranks as a whole, though I would say it was not entirely a surprise to some of us. This led to the submission of a new draft resolution to the Assembly by all ten Arab states, and this new development altered the whole basis on which the Assembly's discussion had been proceeding and led rapidly, on Thursday evening, to a unanimous vote in favour of the Arab resolution.

Canada, and indeed all the sponsors, and the United States, the United Kingdom, France and other great powers immediately expressed their willingness and happiness to join with us, the co-sponsors of the Canadian-Norwegian resolution, in this new development. Therefore it was particularly fitting in the light of the article in the Charter regarding the regional settlement of disputes, that it should have been the Arabs themselves who came up with this formula and provided a starting point for working out a solution to the issues which have wracked the Arab world and on more than one occasion have threatened the peace of the whole world. I am satisfied that the resolution meets most of the main objectives which the co-sponsors of the seven-power resolution had in mind and, in fact, it draws heavily on the letter and the spirit of the seven-power resolution which we had co-sponsored.

The Arab resolution contains three main elements. First, it reaffirms pledges already given by the Arab states that they will respect the systems of government established in the Arab states, and it calls on all members of the United Nations to conform with the principles of mutual respect for each other's integrity and non-interference in each other's affairs. This passage corresponds very closely in meaning to a similar passage of the seven-power resolution, but it expresses itself in terms which are more precise and which have a more particular relevance to the Arab and Asian world.

Second, the Arab resolution requests the Secretary-General to make such practical arrangements as would adequately help in upholding the purposes of the Charter in relation to Lebanon and Jordan in the present circumstances. These are the exact words of the seven-power resolution. But the Arab resolution, unlike the Norwegian-Canadian formula on withdrawal, refers expressly and exclusively to withdrawal in the text of the resolution in the words "and thereby facilitate the early withdrawal of foreign troops from the two countries". This is a more direct formula for dealing with the crucial question of troop withdrawals than had been attempted in the seven-power draft, and I would remind those who might wish to scrutinize too carefully the wording of this section-"and thereby facilitate the early withdrawal of foreign troops from the two countries"-that this formula was accepted willingly by the United States and by the United Kingdom.

May I quote to the committee the words of the Secretary of State of the United States when he said they would heartily endorse the Arab resolution. These are his words:

"The United States rejoices at the prospective assumption by the United Nations of the responsibility which we reluctantly assumed in an emergency and are eager to lay down."

He was followed immediately by the Foreign Secretary of the United Kingdom who stated in effect, that the quicker the practical arrangements contemplated in the resolution could be made on a realistic basis, and here I quote, "the sooner it will be possible for us to withdraw our troops". The Lebanese and the Jordanians accepted this Arab resolution voluntarily, and the United Arab Republic pledged its earnest support for the fulfilment of the engagements which were set out in the resolution relating to this matter. I shall return to this point in a moment.

The third element in the resolution consists of a repetition of the provision in the seven-power resolution inviting the Secretary-General to continue his study with a view to possible assistance regarding an Arab development institution in the economic field, and to provide for this under amicable political arrangements.

I say frankly that there are two elements which I would like to have seen included in the Arab resolution. In my statement in the General Assembly in support on the Canadian-Norwegian resolution I expressed the hope that there might be concluded an interlocking network of non-aggression agreements which would guarantee the independence and integrity of each and all of the Middle East states. I had in mind particularly the relations of the Arab states with their non-Arab neighbours.

That is not in the resolution. Members of this committee will be glad to hear, however, that from the remarks of some of the Arab leaders representing several of the Arab countries, made in support of their resolution, there is reason to hope that the cordial relations now established among the Arab states will be carried forward into their individual and collective relations with non-Arab states of the region. I look upon this as a result which can logically flow-and in some measure I expect it-from the activities which the United Nations through its Secretary-General will shortly be undertaking in this area.

The only feature of the seven-power resolution which failed to reappear in the Arab resolution was the reference to the United Nations peace force. That is not in the Arab resolution, whereas it was in our resolution. The text of that part of our resolution urged the Secretary-General to continue his studies with respect to the establishment of a peace force under the flag of the United Nations, and our purpose was to insist that this item be on the agenda of the thirteenth regular session of the General Assembly which will begin on September 16.

I must admit, however, that in a resolution dealing with the Middle East situation it is hardly relevant to put in a paragraph that refers to a United Nations agency that could operate not only in the Middle East but throughout the world. I assure hon. gentlemen of this committee, however, that this omission need not be regarded as significant. It has been definitely stated that it will be on the agenda of the thirteenth regular session of the General Assembly to which I have referred. To have pressed it at that time which I should like to have done on behalf of the Canadian Delegation, would have revived widespread anxieties concerning the use of force for the settlement of international disputes, even though that force would operate under the United Nations flag. Bringing in that extraneous matter might have delayed a solution which holds out the promise of a settlement of disputes in relation to a particular area. But I say this very carefully, Mr. Chairman; it is a matter which deserves extremely careful study.

I should warn hon. members of the committee that I was conscious of a deep division of opinion within the Assembly on this whole question of a stand-by force, a division that grew deeper and deeper during the succeeding days of the debate.

There are many practical problems to be faced, not the least of which will be a decision as to who should be the final arbiter of when political or military circumstances would justify the use of a United Nations armed force. This was impressed upon me as the debate proceeded. But I say again it is now under study by officials of the United Nations, and there will be an opportunity to consider this more carefully in the meetings of the Assembly that will begin next month. It is the armed aspect, the police aspect, of any proposal that would carry with it the suggestion that it should operate under the flag of the United Nations that worries many of the nations, small and great.

Unanimous Support

I look upon the Arab resolution as an evolution from and fulfilment of the seven power resolution with which Canada had been associated and one, moreover, which holds out better prospects for peace in the Middle East. Why? Because this formula and this resolution have come out of and were proposed by the Arab states themselves, and have won the unanimous support of all members of the United Nations including-and I would emphasize the importance of this-the approval of all the great powers. Mr. Gromyko expressed his intention to vote for the Arab resolution. He could not afford to do otherwise. He could not afford to vote against the Arab resolution; yet at the same time he fell back on propaganda and said, "This is really what we were after when we called for the emergency session of the General Assembly". And so we have regional support, indeed a regional genesis, of the Arab resolution and we have the approval of the great powers. It was a unanimous decision. That is one of the principles we in the Canadian Delegation had in mind when we began, in association with the Norwegians, to formulate a positive, creative and comprehensive resolution to present to the Assembly.

The Secretary-General will be leaving for the Middle East on Monday afternoon. I saw him yesterday at a luncheon, and I could say that despite the inherent modesty of the man he has a certain self-confidence with respect to the success of the role that he will play in the next one or two weeks in the Middle East that will be of assistance to him in translating into practical and successful action the mandate he has received from the Assembly. In accepting that mandate the Secretary-General is adding to the already heavy burden of responsibility which he has been called upon to assume in recent weeks, and none of us should underestimate the difficulties or delicacy of the new tasks we are asking him to assume. This is related to the solution of these problems.

The fact that his mandate is a broad one, leaving him wide discretion to consult and act on his own initiative as circumstances may require, is a tribute indeed to the confidence which the Assembly, speaking with a unanimous voice, reposes in

his skill and integrity. I am sure I reflect the opinion of hon. gentlemen on both sides of this House when I say Canada shares in that confidence in the Secretary-General. We must now hope most earnestly that the unanimity that was found in New York will be fully reflected in a co-operative attitude on the part of all states concerned in order that the United Nations, which the Secretary-General so wonderfully symbolizes, will be successful in bringing about a new era of peace and stability in the Middle East.

The unanimous adoption of the Arab resolution has been eminently satisfactory, but we now need deeds. I am not discounting my hope and indeed my expectation when I say that now is the time for deeds on the part of the states concerned to achieve a practical realization of that resolution. As the Secretary-General leaves New York on Monday afternoon I hope he will carry with him the thoughts and prayers of everyone who voted for that resolution.

I have referred to certain documents, resolutions and a declaration of intention, and for the benefit of hon. members of the committee I now propose to table them.

Nuclear Tests

I have one further reference to the present international situation. I would say, Mr. Chairman, that there were two events yesterday in many ways of equal significance to the unanimous adoption by the emergency session of the General Assembly of the Arab resolution. Those two events were the announcements on the part of the United States and the United Kingdom to the effect that they would be willing on October 31 to begin negotiations with the U.S.S.R. for an agreement that would provide for the cessation of nuclear tests. That would be a tripartite agreement or two bilateral agreements. I have expressed the hope that those agreements could be sealed under the United Nations.

I would remind the members of the committee, Mr. Chairman, that for several months the Canadian Government has urged that such an agreement should be entered into, and that is why we urged the holding of a meeting of nuclear scientists at Geneva. We had hoped that in a cool atmosphere the scientists could find a satisfactory arrangement with respect to the detection of nuclear tests which would lead and indeed point the way to a political agreement in that regard. No doubt Canada, geographically speaking, must be used to station the equipment or instruments or whatever techniques have been suggested by the scientists at Geneva, but as the Prime Minister said yesterday Canada will be eager and willing to do her part in implementing such an agreement. That is not disarmament, Mr. Chairman, but it points the way to disarmament. It prevents further armament, if you allow me to put it that way.

We had hoped, Mr. Chairman, that within the next few months it will be possible to convene a group of experts, such as those who met at Geneva in the last few months, who would study control techniques and control devices that would prevent the possibility of surprise attack. With that hope and the statements yesterday of the United States and the United Kingdom with respect to their proposals to the U.S.S.R. and the unanimous decision of the emergency general session of the General Assembly, I feel better about the international situation than I have felt since I became a member of this House. But words will not be enough.

S/c

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UNIVERSITIES AND THE COMMONWEALTH

Address by Mr. Sidney E. Smith, Secretary of State for External Affairs, to the VIII Quinquennial Congress of the Association of Universities of the British Commonwealth, The Queen Elizabeth Hotel, Montreal, September 1, 1958.

To extend, on behalf of the Canadian Government, greetings to you is my privilege this evening. In doing so, I use the word greetings in its Sassenach sense, "to salute with words or gestures", rather than as it is used in the Celtic regions north of the Tweed where to greet means to weep copiously. Far from expressing sorrow, my "words and gestures" on this occasion betoken our pleasure and pride at the honour which this Congress has done us in meeting in Canada for the first time.

That distinguished Canadian and Commonwealth citizen, Leonard Brockington, has commented that Canadians indulge in more speeches per square meal than the people of any other nation and although most of the distinguished participants in this Congress represent all the diverse areas of the Commonwealth, I ask them to forego their separate claims to nationality and become forbearing Canadians at least for this evening. Not that it would be such a bad idea over the long term, for in being citizens of the Commonwealth, you are related to us and your mass adoption into the Canadian family would be the most worthwhile single acquisition to our nation since the Scots who settled in my native Nova Scotia. To that event, no other can, of course, compare.

On the eve of the Battle of Waterloo, Byron rhapsodized, Brussels had gathered together Belgium's beauty and chivalry. I do not know what history-changing event is likely to take place tomorrow, but tonight Montreal has certainly assembled a high proportion of the Commonwealth's brain-power and while I seek to cast no reflection on personalities, I am bound to observe that our age is not, alas, a chivalrous one, and that in any event beauty never was an attribute highly prized in the academy, unless perhaps by the poets who often seem to require a pulchritudinous type of inspiration.

It is not often that a Canadian city is given an opportunity to welcome such a distinguished gathering from practically every continent except Antarctica, and with the recent explorations of that continent, I wonder how long it will be before there is a university there too. Reflecting the nature of the Commonwealth, this Congress represents many peoples, and many points of view. I greet you as emissaries of goodwill. An ambassador, observed Sir Henry Wotton, is an honest man sent abroad to lie for the Commonwealth. Let me disavow any suspicion of support for his definition, and greet you as honest men whose main concerns in having ventured abroad as ambassadors - or since you represent the Commonwealth, as High Commissioners - are not the devious diplomatic negotiations of three and a half centuries ago, but rather the candid exchange of views on matters of importance for the educational commonweal of the Commonwealth.

But the Commonwealth is not an exclusive association. Its membership rules are not rigid. Mindful of this tolerant diversity of views, I am happy to extend greetings to our good friends, the representatives from the United States of America and the warmth of our welcome to them is in no way diminished by the fact that they are ambassadors rather than High Commissioners. It is after all the result of one of those aberrations of history that they are not fullfledged members of the Commonwealth. And in any event, they represent the broader republic of learning which embraces the Commonwealth. May I be forgiven for violating the rules of formal logic in saying that in present circumstances the particular includes the general. But logical consistency never was one of the distinguishing marks of the Commonwealth bonds and if I transgress upon logic's prescriptions, it is only because I desire to make our guests from the United States quasi-members at least for this occasion. Even though they may not be card-carrying members, at least they know our game and they play by the same rules. Like the Commonwealth, this association of universities demonstrates that comprehensiveness is more desirable than exclusiveness.

The University Role

The most significant single characteristic of the universities represented here is independence, their freedom from compulsion to pursue purposes not of their own conviction. Their dedication to freedom of thought and the unrestricted flow of ideas is our surest safeguard, against restraining encroachments, of the right to differ and the most precious right of all, the right to be wrong. Our universities have cherished the ideal of independence and encouraged the individual who has the determination and integrity to stand alone if necessary in defending the values and principles in which he believes.

Not that the converse attitude of intellectual conformity is entirely an odious one. There must be broad areas of agreement if society is to possess sufficient cohesiveness to survive; but such agreement is not an unthinking acceptance or acquiescence. The interrelationships within our society require of necessity some sort of mould, but the mould must never become a straightjacket. Conformity in a democratic society is rather a result of active and searching examination of the heritage which has come to us from many times and climes, together with a determination to preserve those aspects of it which are valuable and meaningful to mankind. In this sense, as an intellectual activity, conformity is one of the main concerns of the university, constituting as it does the crucial test of our cultural inheritance. Only someone who has had a close association with the academic crucible can know how astringent, if not acid, a test it can be.

But if our society is held together by broad areas of tacit understandings which form the working basis of our political, social and intellectual existence, it must allow at the same time for the maximum of individual diversity. To you that idea will, of course, be neither new nor paradoxical but rather an expression of enlightened orthodoxy. The landscape of our lives must encompass not just the level sweep of tundra and prairie but also the gently rolling foothills and the spectacular peaks of individual achievements. And it is in pointing the way towards the summits of human endeavour that the university has another and perhaps a more significant role to play.

The conservation of the traditional and at the same time the stimulation of new and creative achievements - surely the nature of the Commonwealth is directly related to these two aspects of the university's function. In this context, it would not be inappropriate I think for me to indulge in some speculation - which is probably well-founded - about the role of the university in the drama of the university in the drama of transforming a great imperial structure into a free association of independent and different nations whose leaders were influenced and shaped by academic discipline in the British Isles. Had the imperial universities been restrained from pursuing the objectives of independent thought, how different the course of history might have been. Instead, the modern Commonwealth has become a vital demonstration of the extent to which the wisdom of the academy has prevailed over the short-term political exigencies of a changing empire.

The transformation of an empire into a free association of states has been one of the most exciting themes in recent history. As new nations emerge, new challenges require new ideas and new solutions. There is little doubt that the university has made a contribution towards meeting these needs, because in the final analysis there can be no fundamental and

lasting difference in directions between public affairs and the academic sphere. A university, it has been said, should not be in the busy world nor quite beyond it. Far from being an ivory tower standing apart from the bustle and the demands of the forum the market place and the highway, I see the university as the very intellectual focus of society, the focus which provides our sense of direction, both individually and nationally. I maintain that, because the interchange between the academic world and public life has been a free and effective one, the Commonwealth has been so successful an undertaking. For the same reason, it continues to show resilience and viability in adapting to the profound changes which have swept the world.

I have spoken of the transformation of the empire and the emergence of new nations but the process has not been entirely one of fragmentation. As in the gyroscope there are within the Commonwealth centripetal as well as centrifugal forces at work. In the propagation of these cohesive forces, the university has played no less a part than it has in the development of diverse nationalities. Although these centripetal forces are intangible and elusive, they are nonetheless very real and impart to the Commonwealth its distinguishing cohesive characteristics.

Commonwealth Cohesiveness

What is the Commonwealth, is a question frequently asked. What holds it together if it has no common institutions and no jurisdiction applicable to all its component parts. The answer is, of course, as simple to explain as it is often difficult to understand. The Commonwealth is a free association of states, of independent governments choosing to remain in a particular and special type of relationship to each other because, even if they may not follow unified or even parallel policies, there are large areas of agreement between the peoples they represent as to values, ideals, principles and long range objectives. The common belief in the values and ideals on which the Commonwealth is based originates not in a political context but stems in large part from the association of students and teachers in academic pursuits. Our universities are not institutions of prescriptive dogma or paralyzing propaganda but centres of independent thought and action where the best is preserved, modified and cast into new configurations to meet the imperious demands of a universe rapidly changing in response to man's restless curiosity and striving.

Shall I say then that the Commonwealth is an attitude of mind, an attitude which does not demand unthinking conformity and which wisely recognizes that we may differ from one another without being divided?

The constant demonstration of this fact represents to me the greatest achievement-if indeed it can be termed such-of the Commonwealth. For that attainment, tolerance was essential, and in this context we must think of tolerance in a positive sense as a willingness and a desire to listen to the other person rather than as a passive swallowing of something essentially distasteful.

Much of the credit for this achievement in the Commonwealth, this acquisition of common attitudes by students and potential leaders from dissimilar and diverse origins, belongs, historically to the older universities.

University Exchange

Until a few years ago, this intellectual traffic was almost entirely in one direction. Recently, however, there has been a noticeable diversification of this pattern and the university-to-university relationship is becoming more truly one of exchange. Just as new centres of political authority have appeared, so too is the intellectual life of the Commonwealth becoming multifocal. Former colonies which are now full member nations of the Commonwealth have developed their own institutions of higher learning and these newer institutions have acquired characteristics of their own. All of us are I think justifiably proud of these advances and we believe in all modesty that each and all of us may have something unique to offer to others. From these multilateral exchanges, I am confident that there will emerge a greater degree of understanding and mutual appreciation of other points of view on the part of those who come from other lands and return home again to play a constructive part in their own nations.

From my own recent experience, I can illustrate in concrete rather than theoretical terms the invaluable contribution which has been and must continue to be made in the field of educational exchange. This Spring, I attended in Trinidad the inauguration ceremonies and celebrations of the new Federation of The West Indies - a new Commonwealth nation in the making. Everywhere there was to be noticed a strong sense of loyalty to the Commonwealth nexus, and a determination to preserve it. I think that this attitude is not unrelated to the close ties which have prevailed between the first Dominion in the western hemisphere, and our emerging sister-nation of the Commonwealth in the Caribbean. As a Maritimer, I had been well aware of the important trade connections between the British West Indies and Canada and there can be no doubt that this mutually beneficial economic interchange has had much to do with our closeness. But to the economic historians, I say most emphatically that there is more to it than the exchange of goods. Not once but many times over was it impressed on me that the viability of parliamentary institutions in the broadest sense of the term was attributable

not merely to the attitudes of the students who had studied in Canada or the United Kingdom but to those of a wider segment of the people who had acquired their basic education in schools maintained by Canadian educational missionaries. Their work is a credit to their country - the country of their birth and the country of their adoption. Their work has made an effective contribution to the emergence of this new nation in the sun and at the same time, it has, I hope, brought our peoples closer together in the fulfilment of higher and common ideals.

There can, I reaffirm, be little doubt that the free flow and exchange of ideas has been and will continue to be one of the strongest bonds among the Commonwealth's members. To encourage and facilitate this flow even further, I believe that a programme of exchange of Commonwealth university staff and students, particularly at the graduate level, should be promoted. Such a programme should reflect the pattern already established; rather than the one-way traffic of an earlier time, our exchanges must be multilateral in character. Selections under such a scheme should be made by universities and not by governments. I hope that a fellowship project of that type could be launched, and I believe that my colleagues in the Canadian Government would look at such a project with interest.

The Association of Universities meeting here is itself another manifestation of the closeness of the educational interrelationships within the Commonwealth, and we are honoured that your eighth quinquennial congress has been convened in Canada - not only in Canada, but in this particular city, the surroundings and people of which are a constant reminder of the strength which diversity and tolerance and mutual accommodation impart to our lives as individuals and as nations. This Association, like the Commonwealth it represents, is a voluntary one and its meetings like those of Commonwealth political leaders are not primarily designed to hammer out policies and programmes applicable to all. The responsibility for policy decisions and the burden of implementing those decisions remain with the individual members. The Congresses of Oxford, Cambridge and Montreal are, moreover, invaluable in opening new possibilities to establish direct communications, one with the other. In university affairs as in diplomacy, a talk on a person-to-person basis is almost always more fruitful than a myriad of missives.

In addressing you this evening, I cannot help but feel some nostalgia and regret, that I shall be unable to participate as in years gone by in your proceedings and to renew and to make new friendships. My regrets, I would add, are not entirely personal, for I am deeply aware of the relationships between the problems of my immediate concern and

the matters which you will be discussing. I have no desire to deprecate the role of the diplomat in endeavouring to establish and maintain a peaceful international order. But I believe that peace must be firmly anchored not only in signed agreements and in majority votes in the councils of the nations but more fundamentally in the hearts and minds of men. Wars begin in the hearts and minds of men, and to the universities have been entrusted the enrichment of those hearts and the development of those minds. We have crossed irrevocably into a new age, at once terrifying and enormously exciting and in so doing the challenge and the responsibility for the universities have never been greater.

The challenge is not entirely a local or domestic one, hardpressed though our universities may be to meet the growing demands of society for higher education in this new age. I am thinking rather of its international implications and my concern is of course not unrelated to the translation I have undergone since our last meeting. Lest anyone have the impression that the metamorphosis to which I refer is in any way similar to the translation of the Prophet Elijah, let me hasten to assure you that my portfolio is External, not Eternal Affairs. In the latter field I profess no special competence and leave it to the theologians. Nor do I have any aspirations to prophetic powers but in my new capacity I do appeal to you and to your role in promoting world peace.

Importance of the Humanities

The age into which we have been ushered by hydrogen bombs, intercontinental ballistic missiles and Sputniks is obviously an age marked by the triumph of the physical sciences. If at one time we could luxuriate in the consoling rationalization that somehow the free world's system of education was better than that of its rivals, the recent scientific achievements of the Soviet Union have demonstrated that we can no longer comfort ourselves in this fashion. The problems with which we are confronted are urgent ones indeed but I am not a pessimist and I do not regard them as insoluble. In working towards solutions, however, I express the hope that we will not accept this challenge in a purely competitive spirit and make the galvanometer and the test tube the only instruments by which we measure the achievements of our institutions of higher learning. I plead for the humanities and for the sense of direction which only the humanistic disciplines can give to our actions whether they be personal, national or international. In accepting a challenge of grave international significance in a spirit of competition for self-preservation and in an attitude of intellectual panic, we run the risk of sacrificing as our objective the cultivated mind and substituting for it the mind which is narrow, one-track, biased or even worse, closed. The development of the humanities in close and harmonious relationship with the physical sciences is the main

assurance that we have for the preservation of reason and the rejection of prejudice as a foundation on which a stable and progressive society of nations, no less than of individuals, can be built.

In a world beset by divisions and controversies, humanity yearns for more bridges of understanding similar to those which span the Commonwealth. This is the basis of my appeal to you. Universities must continue to bridge the many gaps in international understanding - gaps which all too easily could become terrible abysses.

S/C



STATEMENTS AND SPEECHES

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No. 58/34

INTERNATIONAL COMMODITY PROBLEMS

Statement by the Chairman of the Canadian Delegation, Mr. W.B. Nesbitt, Q.C., M.P., at the 26th Session of the United Nations Economic and Social Council on July 15, 1958.

The agenda item which we are considering today deals with one of the most important economic problems facing the world at the present time. Many countries, especially those in the earlier stages of economic development, derive a substantial part -- in some cases the major part -- of their export earnings from the sale of one or more basic foodstuffs or raw materials. Their vulnerability to severe fluctuations in international market conditions is accentuated by a number of features which are peculiar to basic commodities. For example, substantial declines in prices may not lead to any increase in sales because of the relative inelasticity of demand for many commodities. In fact declining prices may even be accompanied by a falling-off in the volume of trade. Moreover, in the case of a number of basic commodities, variations in climate and improvements in technology often result in the production of a greater output than the market can absorb. Surpluses accumulate and hamper efforts to restore prices to previous levels. Another characteristic of the markets for many basic commodities is the development of synthetics and substitute raw materials which aggravates the problems of commodity producers in periods of weakening demand.

Commodity Price Decline

Over the past year there have been some rather disquieting developments in world commodity markets. In the second half of 1957 a decline took place in the prices of a number of raw materials and foodstuffs so that by the end of the year the price index of primary commodities had fallen to the level of 1953. It is true, as the World Economic Survey points out, that by the end of 1957 and the early months of this year prices of a number of commodities were tending to stabilize but in other cases the price declines continued. Thus a good deal of apprehension exists regarding the future and the

place that this important question occupies on our agenda reflects a general feeling that greater efforts should be made to grapple with this problem.

As the Canadian Delegation pointed out in its statement on the world economic situation, the instability in commodity prices during 1957 probably represented in many of the under-developed countries the most serious aspect of the economic adjustment which the world economy has been undergoing and corresponded in its impact to the cut-back of investment and the resulting unemployment in the industrialized countries. Of course, while it may be useful for certain purposes to differentiate between industrialized and underdeveloped countries, the distinction tends to break down when dealing with the instability in commodity markets. Some countries like Canada which have reached a relatively advanced stage of industrial development also rely to an important extent for their prosperity on the production and export of certain raw materials and foodstuffs. During the past year or so our country has been concerned about the declines which have taken place in the prices of a number of commodities of which we are major producers. Canadian wholesale prices of copper and its products declined by an average of almost one half from April 1956 to April 1958, while in the case of both lead and zinc and their products prices fell by more than one quarter. Wholesale prices of grains declined by about ten per cent over the same period.

Even those countries which are not major producers of basic commodities have strong reasons for being concerned about the economic health of those parts of the world which are more directly affected. Apart from any other considerations there is the fact that a decline in the export earnings of commodity producing countries means less purchasing power with which to buy the products of other nations. Moreover, the existence of satisfactory conditions in world commodity markets might be described as a basic prerequisite to the success of the efforts the United Nations are making in other fields to assist the under-developed countries to attain greater rates of economic growth and higher living standards. As the Secretary-General pointed out at the 22nd Session of the Economic and Social Council, a change of only five per cent in average export prices of primary commodities is equivalent roughly to the total annual flow of private and public capital and government grants to under-developed countries. Thus, we all have an interest in dealing with this problem in a realistic and effective way.

Stability in Commodities Market

I have outlined in some detail the nature and complexity of the commodity problems facing the world today. Nevertheless, it is encouraging to realize that we have made some progress in the post-war period in laying the ground-work for action to bring a greater measure of stability into the

markets for basic commodities. The growth of international co-operation in this field is one of the more significant economic developments of the post-war period. The instability of commodity markets was a major problem before the war and the swings in prices frequently far exceeded anything we have experienced in recent years. However, in those days the nations of the world attempted to solve their difficulties by means of restrictions on imports or through bilateral trade arrangements or the formation of producers' marketing agreements. Not only did most of these expedients fail to provide the desired stabilization of prices but they also contributed to a shrinkage in world trade which had disastrous effects on employment and income the world over.

The nations have, in the last decade or so, been trying to apply the lessons which they learned in the hard school of the '30's. It became generally recognized that one of the best antidotes to commodity ills is high and expanding world demand and this lent impetus to efforts through the OEEC, the IMF and the GATT to reduce barriers to world trade and ensure that countries should not try to remedy their own troubles at the expense of their neighbours. At the same time there was much discussion of ways of dealing more specifically with fluctuations in the prices of individual commodities through international action. Even in the period of post-war shortages, when the prices of most foodstuffs and materials were rising, a number of study groups were set up to look into the position of such commodities as wool, tin, rubber, sugar, cotton, wheat and tea.

In 1947 the Economic and Social Council appointed the Interim coordinating Committee on International Commodity Arrangements which has performed a most useful function in convening international study groups, coordinating the activities of the various study groups and other organizations working in this field, and making recommendations to the Secretary-General. What we have been able to achieve in the commodities field during this period has been due in no small part to the skilful and experienced way in which the experts who have served on the Interim Committee have discharged their duties and they deserve our thanks for the services they have rendered to the United Nations.

In 1949 with the signing of the International Wheat Agreement the first success was achieved in bringing into being a practical agreement covering a major commodity and including the principal producers and consumers. Five years later in 1954 the International Sugar Agreement came into force. The third commodity agreement presently in existence, the International Tin Agreement, began to operate in 1956. Meanwhile, as a result of a feeling in the Economic and Social Council that progress in stabilizing the prices of basic commodities could be speeded up by approaching the problems on a broader front as well as on a commodity by commodity basis, the Commission on International

Commodity Trade was established in 1954. At its last session the Commission adopted a practical and worthwhile work programme which takes into account what is being done in this field by other bodies. The Commission's decision to refer its terms of reference to ECOSOC has paved the way for advances into new avenues of usefulness. The most recent report of the Commission and the accompanying review of the international commodities situation both contain much valuable information and will be of considerable assistance to us in working out a constructive approach to commodity problems. GATT and the FAO have also taken a close interest in questions relating to trade in basic commodities and have carried out a great deal of useful work on the subject. At this moment in Geneva a high level committee of experts convened by GATT is carrying out a general study of commodity problems. This panel will report on the development of export earnings of the primary producing or non-industrial countries in relation to their economic growth, the effects of wide fluctuations in prices of primary products and in export proceeds, and the effects of agricultural protection on the development of international trade. FAO has been instrumental in establishing study groups on the great majority of commodities under its jurisdiction and this work has been of great value to the countries primarily concerned. Other study groups are operating under the auspices of the Interim Coordinating Committee. Canada welcomes the steps which have been taken through this body to convene a meeting this fall for the purpose of considering the position in regard to copper, lead and zinc.

Canadian Comments

At present therefore we have a number of international bodies in existence, each looking at commodity problems from a different angle and each playing a role in working towards effective methods of dealing with them. It is quite possible that at this session the Economic and Social Council will find that there is scope for making more and better use of this machinery. Our Delegation has already pointed out in its statement on the world economic situation that Canada shares the interest and concerns of the under-developed countries regarding fluctuations in commodity prices and is willing to consider sympathetically any constructive and practical proposals in this field. Canada belongs to all three commodity agreements presently in existence although we are a major producer of only one of these items. Moreover, our country has participated actively in the work of all the study groups now operating as well as the Commission on International Commodity Trade and the Commodity work of the FAO and the GATT. We therefore feel that we are in a position to offer a few general comments in the light of our own experience regarding the conditions which appear to be conducive to success in dealing effectively with commodity problems.

Much can be learned from a study of international cooperation in the commodities field during the post-war period. Experience with the three International Wheat Agreements, the Tin Agreement and the Sugar Agreement seems to suggest that the results of a commodity agreement are closely related to the proportion of world trade in the commodity concerned which it covers. Consequently, there does not appear to be much point in taking any action to stabilize commodity prices which does not have the support of the principal producing and consuming countries. It is also of considerable significance that each of the three commodity agreements presently in existence is of a different type. The Sugar Agreement operates primarily through the establishment of export quotas and their adjustment in relation to changes in prices. The basis of the International Tin Agreement is the operation of a buffer stock to adjust the supply of metal to the market demand. The International Wheat Agreement is of the multilateral contract type. Any success these three agreements have achieved seems to be due in no small measure to the fact that they were tailored to the peculiar -- one might say unique -- conditions existing in the markets for the commodities concerned. We could see some value in having a study made of the application under different conditions of various methods of stabilizing prices, such as the establishment of a range within which prices may be allowed to fluctuate; the setting up of buffer stocks or the use of export quotas. However, commodity problems are of a highly complex character and can best be dealt with on a commodity by commodity basis. We would certainly not rule out the possibility that better progress might be achieved in dealing with certain aspects of commodity problems which are common to a number of items by discussing them in a wider forum. Nor would we deny that countries benefiting from the existence of one commodity agreement are under some obligation to help in bringing into being other agreements in which they are perhaps not so directly interested.

However, we do not think that there is any single panacea which will cure all our commodity problems. The experience of recent years has demonstrated that patience and a spirit of give and take are necessary if real progress is to be made in this field. Some times it is difficult to display these qualities when dealing with problems which are such importance and urgency to millions of people in so many countries. Our Delegation wishes to pledge itself to devote whatever time and efforts are necessary to explore any promising possibilities for improving international co-operation on commodity matters.

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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No. 58/35

A COMPREHENSIVE APPROACH TO
MIDDLE EAST SETTLEMENT

Statement on Seven-Power Draft Resolution
by Mr. Sidney E. Smith, Secretary of State
for External Affairs, at the Third Emergency
Special Session of the General Assembly of
the United Nations, New York, August 19, 1958

I am sure that Members of this Assembly by now have had time to study the draft resolution which the Canadian delegation is pleased to sponsor with the delegations of Colombia, Denmark, Liberia, Norway, Panama and Paraguay.

After the lucid presentation of this joint draft resolution by the representative of Norway -- with whom it has been an honour and a pleasure for me to co-operate closely during the past week -- there is no need for me to analyse again the contents of the draft resolution. Instead, I wish to dwell for a moment on some of the considerations which we have had in mind during the discussions leading up to the introduction of a draft resolution in the form now before us.

Along with Mr. Engen, I concede immediately that this draft resolution is not perfect, it is not ideal. It will probably be found entirely satisfactory or perfect to no country or grouping of countries. That is perhaps inevitable, but I do suggest, that it is not necessarily a weakness when the objective of the draft resolution is a reconciliation of conflicting interests, for if it were otherwise there could be no common ground, no point of departure from which to seek conciliatory and compromise solutions which will safeguard the essential interests of all parties without requiring of any undue risk or sacrifice.

This draft resolution is designed, therefore, to serve as a point of departure and a basis of discussion, and we would hope that it would lead to further developments in two main areas where special support to it must be given if the draft resolution is to achieve its purpose.

I speak first, very frankly, of the Arab States themselves, without whose positive and indeed active co-operation there can, of course, be no durable settlement of the problems of the Middle East. It may be that some of the Arab countries have their difficulties with this draft resolution, some parts of which may seem to fall short of what they may believe they have a right to expect. But we earnestly hope that they will weigh the merits of the draft resolution as a whole and find in it not an impediment to evolution but a new basis for harmony, prosperity and growth in the Middle East.

But regional support by itself cannot resolve issues which, as recent events have shown, can have repercussions extending far beyond the Middle East. Complementary to the co-operation of the countries of the area, and not necessarily of secondary importance, is, therefore, the need for recognition by the major Powers, including the Soviet Union, the special recognition, of the obligations which rest upon the major Powers as a consequence of their involvement in different ways in the affairs of the Middle East. Of course every nation represented in this hall has an interest in seeing to it that the Middle East is not allowed to become a part of the world that endangers global security and peace. I now ask this question: would it not be reasonable to look to the four great Powers for at least their unanimous support of this draft resolution as a form of acknowledgement of the risks which can flow from a great Power confrontation in the Middle East or perhaps for some more tangible expression of their common interest in pursuing policies of restraint in that troubled area?

It was precisely because my Government considered that a durable Middle East settlement required the active endorsement of the major Powers that we welcomed some weeks ago the original proposal for a meeting of the great Powers at a high level to deal with Middle East matters, and we welcomed the further proposal that these high-level talks should take place within the Security Council where the responsibility under the Charter for matters affecting international peace and security properly belongs. Those early efforts had to be abandoned, but I for one believe that in the General Assembly today we have been given an equal or even better possibility of engaging great-Power support for a Middle East settlement through the joint endorsement on the part of the great Powers of whatever resolutions and action may flow from this emergency session. One might even be permitted to hope that on the basis of a recognition of joint great-Power responsibility in a limited area such as the Middle East, it might be possible to develop a wider approach to other problems requiring four-Power agreement for their effective settlement, problems such as the testing and control of nuclear weapons,

disarmament and such other topics fundamental to international security and peace concerning which preparatory discussions for talks at the summit have been proceeding now for many months.

I repeat, then, that in my opinion the active co-operation of all the Arab States and the identification of all the major Powers with the purposes underlying this draft resolution are essential underpinnings on which its successful fulfilment must be founded. That is not, however, to say that there does not rest upon all of us, and in particular those with direct interests in the Middle East, a solemn obligation to exercise self-denial and restraint while our search for answers to the immediate needs of the current crisis and for a peaceful and prosperous pattern for that area in the future is in progress. The first responsibility of nations, both inside and outside the area, is to see to it that no word or deed of theirs precipitates a dangerous situation which could jeopardize the whole of the efforts of this Assembly. Any nation which failed to heed this warning would bear a grave responsibility before the bar of world opinion.

Secretary-General's Role

Turning to parts B and C of this draft resolution to which Mr. Engen has referred, dealing respectively with the short- and long-term problems with which we are attempting to grapple, may I say first a word about the Secretary-General's role.

The fact that this Assembly is going about its tasks in a purposeful way can, I think, be attributed in large measure to the Secretary-General's timely intervention on 8 August, at the first meeting of the emergency session, when he outlined in such broad but comprehensive terms the course which this Assembly could most usefully steer. In identifying what he described on that day as "basic needs for action in the area", the Secretary-General focused attention on the constructive purposes of this meeting. He provided us with a cogent survey of the problems of the area which require urgent attention -- a survey which has, in fact, guided the discussions here in large measure, from the outset of this session, along productive channels -- and that is reflected in no small measure in the proposals embodied in the draft resolution before us. The nature of the Secretary-General's statement illustrated the ever-increasing burden of responsibilities which he has been called upon to assume in recent weeks, acting always within the broad powers which the Charter confers upon him. Because the United Nations has now been called upon to attempt an entirely new role in the maintenance of stability and peace in respect of a particular area, and because the

Secretary-General symbolizes the authority of the United Nations, he will be asked, under this draft resolution, to take on even more responsibilities. The draft resolution seeks to strike a balance between the support and guidance which he must have from this Assembly in approaching his task, and the need to give him scope for consultation and effective action on his own initiative as circumstances may require. None of us should underestimate the difficulties or delicacy of the tasks which we are asking him in this draft resolution to assume, but I am sure that I reflect a unanimous opinion when I express confidence in his unique qualifications to meet successfully this new challenge.

The immediate issues with which the Secretary-General is being asked to deal are those relating to Lebanon and Jordan where there is the matter of troop withdrawal to be faced, and which is not unrelated to the political future of those two countries. Perhaps we should reconcile ourselves now to the thought that no formula can be wholly and universally satisfactory to cover the question of troop withdrawals. We have the statements of the leaders of two great and friendly Powers of their desire to remove their forces as soon as the United Nations has taken action appropriate to the circumstances prevailing in those countries. For our part, we are prepared to accept those assertions at their face value as an earnest of their desire to withdraw quickly. The United States and the United Kingdom simultaneously with their landings recognized the risks and thankless responsibilities which would flow from prolonging their presence in the area, and they then gave thought, and expressed that thought, to their withdrawal. Every consideration, including self-interest, would dictate that their action be brought to an end at an early date. In the letters which each of these nations has delivered to the President of the Assembly, we have renewed evidence to support this judgement, and I urge that all Members of this Assembly accept those letters as a renewed manifestation of their desire and intention to bring about an early termination to a situation which they recognize, and all of us recognize, could have unfortunate consequences.

Policy and Principle

But the problems of Lebanon and Jordan are more complex than the presence or otherwise of foreign forces on their soil. The search for solutions to the longer-term problems of those countries, and of the Middle East generally, raises, I am bound to observe, very difficult issues of practical policy and questions of principle which could have disturbing and far-reaching implications for the United Nations. The questions of principle relate to the extent to which the United Nations is at liberty to intervene in matters which Member States could regard as of domestic

concern. I think that it will be generally agreed that the United Nations has neither the right nor the duty to interfere in a country to support one form of government or one political party, or to prevent another form of government or political party from taking its place. Similarly, the Charter would seem to confer no right or duty on this Organization to promote or prevent a political union of sovereign countries which may wish to merge their separate sovereignties in a larger union or federation.

This seems to be clear as far as it goes, and it would be well if we were to recognize the relevance of these principles to the mandate that we are asking the Secretary-General to accept. But does this doctrine mean that the United Nations can have no interest in or answer to questions so fundamental to the original complaints which gave rise to the holding of this emergency session of the Assembly? It may be good international law, but is it an adequate answer to the urgent problems of policy with which the members of the international community are now confronted? It is equally good international law that a duly constituted and legally recognized Government can request another Government to send troops into its territory to buttress its security, and that the State so invited is at liberty, under international law, to respond to this request. To describe the response of the United States to the appeal from the Lebanese Government for help, and the response of the United Kingdom to that of the Government of Jordan, as "aggression" is ridiculous and really makes no sense, and indeed could make nonsense of the most central and serious provisions of the Charter. Having said that, I hasten to make this observation: At the same time, the generalized assertion of such a right to seek and receive assistance from any Government willing to give it could greatly complicate the search for peaceful adjustments of situations that might contain a threat to peace. These are problems of policy for which our present canons of international law do not give adequate guidance.

Similarly, the way in which the succession to power in a State is effected may have a profound impact on the structure and sense of security of neighbouring States. A sudden and violent change of regime in one country may have repercussions which may lead neighbouring countries to feel that their external security is threatened. How can we work out a tolerable reconciliation between the principle, central to the whole conception of the United Nations, that each State has the right to determine for itself what its form of government shall be, and the equally important consideration that no country should have the privilege of jeopardizing the peace and security of its neighbours? These considerations must both be taken into account in attempting to formulate an appropriate United Nations treatment of the problems which are before the Assembly.

In attempting such a reconciliation, it will help, I think, for us to recognize that not all the concepts of international law, or all the assumptions on which our Charter is based, are realized with equal fullness and precision in all parts of the world.

Commonwealth Example

We in the British Commonwealth of Nations, for example, are independent sovereign countries, freely accepting the obligations which arise from our membership in the United Nations and in the international community. At the same time, we attach a high degree of importance to the special relationships, often very hard to define and delineate, which link us, one with another, in the Commonwealth connexion. We do not think of the other members of the Commonwealth as "foreign". There is a large body of opinion in each of our countries within the British Commonwealth which would, I believe, resent and resist any suggestions which might come from other parts of the world that we should reduce our mutual relationships within the Commonwealth to the bare minimum that international law expects of the relationships between members of the international community.

I cite the Commonwealth example because I venture to suggest that we would do well to recognize that the members of the Arab region in the Middle East may feel that they too are in a special relationship with one another. Their relationship with one another may come under the heading of external affairs, but it is probably misleading to regard them as foreign affairs in the classical meaning which diplomacy gives the term. The relations among the Arab nations in the Middle East have been developing and evolving very rapidly. Similarly, national sentiments and aspirations are rapidly taking political and constitutional shape in what not so long ago were the non-self-governing parts of the British Commonwealth and Empire. In a sense, the emergence of new national governments and groupings in the Arab area represents a challenge to the imagination and sympathy of older and longer-established members of the international community in somewhat the same way as the emergence of new Asian and African Commonwealth countries has represented a challenge to the sympathy, the understanding and the support of older members of our British Commonwealth.

It is for reasons like these that I should be doubtful of the wisdom of anyone attempting from the outside to prescribe and codify any very precise pattern for the relationships of the Arab countries inter se, or even for their individual or collective relationship to the countries that make up the rest of the world. The United Nations has, perhaps, a collective responsibility to show its sympathetic

concern for the political evolution of the Arab countries, but even the United Nations cannot dictate the pace of that development or attempt to influence the political form that it may ultimately assume. What is important, particularly in this transitional stage, is that we should recognize that the pattern of economic and political relationships has not reached a settled equilibrium in the Middle East any more than it has reached an equilibrium in the British Commonwealth or, for that matter, in Western Europe, where economic, social and political forces are creating new systems of international and, in some cases, supranational co-operation in forms whose ultimate shape none of us can foresee.

Peaceful Changes Must be Peaceful

While these processes, all natural enough, perhaps even inevitable, are working themselves out, our chief responsibility in the United Nations is to see that our thinking and that our institutions should be sufficiently flexible and realistic to accommodate themselves to the facts of change. Changes will have to come, but they must come peacefully. This much the world has a right to expect, and all our efforts, either within this Organization or in fields of policy beyond it, should be directed to this task. This is in the common interest of all of us, whether we are members of the Warsaw Pact, of the North Atlantic Treaty Organization, or whether we belong to that group sometimes referred to as the uncommitted nations in the cold war. The whole world has ultimately a single interest in preventing the strains and stresses arising from rapid and unequal rates of development in these areas from bringing us all into fatal collision.

I am on surer ground when I turn to the economic provisions of the resolutions before us. Just as the unequal pace of political development in the Middle East has produced stresses in the relations among the States of the area, so also has the unequal distribution of economic resources had its impact on the rate of economic and social development in various parts of the Middle East. The invitation -- that is what it is -- to the Arab States to create for themselves, with the technical assistance available through the United Nations specialized agencies and other United Nations organizations, development institutions serving the interests of the region as a whole, is an attempt to make possible the lessening of the economic disparities between one part of the area and another.

The need for a regional approach of this nature was foreshadowed in the Secretary-General's able statement on 8 August to which I have referred, and has already met with a quick and constructive response on the part of the United States Government. The proposals which President

Eisenhower outlined on 13 August from this platform could have far-reaching and beneficial consequences for the Middle East, and no one, I suggest, should underestimate the significance of the new policies which President Eisenhower thereby enunciated. The willingness of the United States to support materially and technically the kind of initiative envisaged by the Secretary-General to solve problems which have been a source of friction and an obstacle to progress in the Middle East for so long is to be highly commended, as is the recognition on the part of the United States that it is through the United Nations that the means to carry out these proposals should be found. It is unfortunate that bilateral economic programmes which ought to have benefitted this area should often in the past have been spurned for political reasons, or have been the occasion for an intensification of political rivalries within the area and political rivalries between the great Powers. The Canadian Government, for its part, has already endorsed in principle the concept of a Middle East regional economic development plan under United Nations auspices, and we would sincerely hope that the Arab States will themselves see the advantage of taking the initiative to implement the suggestions contained in paragraph 2 of section C of this resolution.

U.N. Peace Force

A further long-term project which will be carried a step further if the present resolution receives the general support that it deserves is that relating to the creation of a stand-by United Nations Peace Force. The Canadian Government's support, over many years, for the creation of such a force is a matter of record in this Assembly, reaffirmed as recently as last September when Prime Minister Diefenbaker addressed the opening meeting of the twelfth regular session.

It is indeed an essential element in Canadian policy to accord high priority to the honouring of commitments to preserve the peace through United Nations action, and to provide the Organization with instrumentalities to accomplish its purposes. Canada welcomes a new, or perhaps I should say a renewed effort in the direction of a more permanent and workmanlike arrangement to meet the requirements of the United Nations in this regard. Our willingness to respond to specific United Nations requests has led to a long record of United Nations service of which Canada is justly proud.

Operations of the United Nations Emergency Force in Gaza have required the greatest numerical contribution on the part of Canada, but we have borne, with equal willingness, our share of responsibility in other United Nations peace efforts: in Kashmir, in the Truce Supervision

Organization in Palestine, and now in the Observation Group in Lebanon. It is no more than a coincidence that three of these efforts in which Canada has found itself involved under the aegis of the United Nations are in the Middle East, a region in which we otherwise would have no more direct interest than that which flows from the normal cultural and commercial intercourse between nations. But as a middle Power we do, however, have a very direct interest in the preservation of international peace and the promotion of understanding among nations, and it is as a manifestation of that interest that Canada has men in the Middle East participating in UNEF, in UNTSO, and now in UNOGIL.

The Foreign Secretary of the United Kingdom, at this emergency session of the General Assembly, has endorsed the suggestion that a "stand-by United Nations peace force" should be created to make possible quick action in an emergency, and he has referred to the studies which the Secretary-General has been conducting. This important matter will require most careful study. I have been somewhat disturbed in the last day or two to hear from some of my fellow representatives that there is a set plan in that regard. I repeat what I have just said: It requires the most careful study. The experience of the past has shown that United Nations requirements can involve a wide variety of types of service, none of which may offer an exact precedent for a more permanent type of stand-by force. The further examination of alternative possibilities will be greatly assisted by the report which the Secretary-General will make to the thirteenth session of the General Assembly next month.

Although the immediate situation with which we are faced may well not require the kind of action for which a stand-by force may be designed, it will give, I pray, renewed impetus towards the creation of such an instrumentality, an objective which was clearly in the minds of the authors of the Charter in 1945, and which we would do well to explore further at a moment when the role of the United Nations as a peace-preserving body is once more uppermost in our minds. Despite the darkness of this crisis, yet there are lessons to be learned from it. May we profit from those lessons and let us not forget these lessons.

There is a third long-term objective that we hope to see result directly or indirectly from our present deliberations. This objective is not to be found in the draft resolution. I refer to Canada's hope that there could be laid a network of interlocking non-aggression agreements in the Middle East region, which could guarantee the independence and the integrity of each and all of the States of the area, and thus provide a solid basis for the

economic and other constructive proposals which are within the grasp of the States of that area if this draft resolution accomplishes the objectives which we and the other co-sponsors have in mind.

Objectives of Resolution

I have spoken about the results which we are confident would flow from individual parts of the draft resolution, but I would revert to the thought that I expressed earlier, that the draft resolution be assessed as a comprehensive approach which attempts to reconcile widely divergent points of view. It deserves careful study for it points the way to constructive action through and by the United Nations.

The draft resolution does not attempt to apportion responsibility for the past in relation to the problems of the Middle East. It does not invite the Assembly to commend or condemn the national policies that any of us has pursued. It asks us all to recognize the situation that exists de facto, and outlines a course of action which, if we all pursued it scrupulously, could lead us out of that situation. It requires good will, it requires restraint, and it will require the best efforts of the Secretary-General, on whose shoulders we have perforce to place so heavy a load.

It is our hope in commending this draft resolution to the Assembly that every one of us will find it possible to endorse it. This, I believe, is a moment in the history of the United Nations where a conventional majority is not enough. In the minds of some this may not be a perfectly balanced draft resolution, but time does not always work on the side of peace. It is important to make a beginning, and a beginning in the right direction. If we could all -- and I address this argument directly to the members of the Soviet delegation -- vote for this draft resolution, we would have made a start -- a transforming start -- in the slow process of bringing order and mutual respect into our several approaches to the questions relating to the Middle East. This emergency session of the General Assembly thus would make a great, a unique, contribution towards the foundation of peace in an area from which war could all too easily come.

I am not saying this by way of winding up my remarks, but I say it very solemnly and with deep feeling. Humanity today awaits our decisions. Will we fail humanity?

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No. 58/36

THE LIVING COMMONWEALTH OF TODAY

An address given at the Commonwealth Trade Conference, Montreal, September 18, 1958, by Prime Minister John G. Diefenbaker.

It is a moving and inspiring experience for me to add to the welcome already given by Mr. Fleming to you, the ministers and delegations from so many nations and areas within the Commonwealth.

The question has been asked me several times recently - what good can come from a Commonwealth Conference? What has already been achieved would more than justify this Convention of friendly peoples.

As members of a family it is natural that we do not agree on all things. We may even disagree strongly on some things, but after some experience in international meetings, it is good to know that whatever the disagreements may be, they are of conviction and judgment, not a propaganda habit or with intent to disrupt.

However, the world should know that in one thing we are united, or one thing there is no disagreement. We know that we are fortunate to live outside of the Iron Curtain. We are determined to stay there, and to that end to take action to assure that we shall. We are united in our determination that we shall determine our destiny.

This is a conference and a moment, to which I have long looked forward. This is a moment when representatives of our community of nations are gathered together in a common purpose. That purpose is to increase our understanding of one another's economic problems; to secure among ourselves and with others, the beneficent expansion of trade; to share in some measure each other's burdens; to extend the horizons of mutual assistance; to renew the strength of old friendships and form new ones; and to deepen our awareness of that essential unity in matters of the mind and of the spirit which characterizes the living Commonwealth of today.

You, the representatives gathered here, and your respective countries, are striving for prosperity and progress, not for themselves alone, but shared with other like-minded nations for this and future generations.

The Nature of the Commonwealth

The unity of the Commonwealth is in the things of the spirit and in a common adherence to the inheritance of political institutions. Its anchor is in the abiding values and traditions of the past to which is joined the dynamism of the present. Its strength lies in freedom, in justice, in the broad practices and in principles of Parliamentary Government - of government by election and consent - of government which respects the rights and freedom of the individual. Being a living institution, founded upon strong yet flexible constitutional principles, the Commonwealth can and does develop in harmony with new conditions. It can and does respond to the new problems to which new times give birth.

It embraces a multitude of regional interests in all continents. It reaches across the racial and cultural divisions of the earth. It provides a helpful bridge between the East and the West, and between peoples diverse in history, culture, language and creed. Its unity of spirit among a diversity of peoples provides the basic brotherhood to this family of nations.

The Commonwealth is a political paradox in that it accomplishes what it does without treaty obligations and so it must remain.

It is an association that is inclusive, not exclusive. It is ever-expanding with the emergence of new nations into independence. It encourages and fosters the independence and the individuality of its member nations, rather than conformity and conventionality. It has grown from the adaption of a world-wide empire of another day to the new conditions and attitudes of the century, and in doing so has become one of mankind's greatest hopes for the maintenance of peace with freedom.

Canadians are proud that the birth of our nation some 91 years ago constituted the beginning of this process by which the Commonwealth has emerged. Our independence was followed by that of the southern Dominions. At the end of the First World War, however, only 10 percent of the population of the British Empire could be described as truly self-governing. Since then vast changes have taken place, and in the last dozen years the structure

and character of the new Commonwealth has emerged. We of the pre-war association have been proud to welcome our Asian and African members and look forward to the accession of new members, not only from Africa, but from the Caribbean area of the Western Hemisphere.

The Commonwealth properly prides itself now on what it has done to facilitate the emergence of new nations into independence and effective self-government. The peaceful emergence of new nations since our federation in 1867 to the present time has been a triumph of British political genius and good sense.

Because the Commonwealth now includes such a diversity of countries, so widely spread across the world and so varied in their economic character, it reflects quickly and typically many of the economic problems of the world.

Within the Commonwealth there exists a diversity of interests, and even conflicts of interest in the economic sphere, but we enjoy a political tradition which has proven itself able to reconcile differences in the past, and which can bring success in the field of trade and economic affairs.

Trade is the very life-blood of the economies of each of the nations here represented.

Monetary Reserves Improvement

On the financial side, a substantial improvement in the monetary reserves of most of the nations of the Free World has taken place during this past year, including the increased central reserves of the sterling area.

The discussions about to take place in New Delhi provide hope that the resources of the International Monetary Fund will be increased. Improvement in the liquid reserves of the Western World should enable nations to meet the inevitable fluctuations of trade without recourse to action being taken that may injure the economy of other nations.

Freeing Trade Restrictions

We in Canada have urged, to achieve a larger measure of freedom in trade, that our Commonwealth partners in the sterling area, in their own interests as well as ours, should remove the discriminations against imports from the dollar area - discriminations that could be justified at an earlier period of post-war difficulties.

We welcome warmly the announcement by Sir David Eccles of decisions which should prove a considerable step forward in the direction of the desirable goal of freeing trade with the United Kingdom from impeding restrictions.

What is being done at once, and what is to be done during the coming year, should be of substantial help both to the United Kingdom and to those who trade with her.

We welcome, too, the indication that the Colonial authorities will be reviewing their import restrictions in accordance with the policy now being followed by Her Majesty's Government in the United Kingdom. This will be of particular importance to us in our relations with the West Indies Federation, with which we hope to develop closer and mutually beneficial trade relations.

The new Commonwealth nations in Africa, Asia and elsewhere have the constructive and far-reaching role of demonstrating that new nations, conceived in, and operating within democratic principles, can produce -- even transform -- standards and assure economic progress.

Colombo Plan

The Commonwealth has done much in aiding its members through the Colombo Plan, a typically Commonwealth scheme -- loose, informal, rather vague in concept and organization, but workable and successful in practice.

Canadians think highly of the Colombo Plan and have contributed thereto in expenditures and technical knowledge. We feel that under this plan, and through the similar work of the United Nations and the various Specialized Agencies, as well as through the most important work of the International Bank, a large measure of substantial aid must continue to be given in this vitally important field of economic development.

We intend to increase substantially the resources that we are putting into efforts to assist in economic development.

Commonwealth Financial Institution

I am attracted by the idea of a Commonwealth financial institution as a channel to provide funds, particularly to those countries that are newly emerging or have just emerged from colonial status to nationhood within the Commonwealth.

There are difficulties, but I commend to the Conference the objective of devising suitable Commonwealth arrangements to provide economic encouragement, more especially to nations as full status in self-government is attained.

In most, if not all countries, it has been deemed imperative to afford special support to safe-guarding measures for agriculture. We delude ourselves if we regard this as a passing phase -- it is clearly here to stay. The actions which

governments are impelled to take may harm the interest of farmers in other lands. As surpluses arise they are shipped abroad where interference may result in the normal trade of other nations.

Canada has suffered for many years from the consequences of efforts by other countries to foster their agriculture. We have had to take action, and the effects thereof have been felt by other nations. While trying to minimize these detrimental effects, it is agreed that they cannot be eliminated entirely.

To buy up surpluses from other countries entering our markets and seek to sell them elsewhere would not correct the general situation. The difficulty of solution is so widespread that no one nation can hope to overcome it by unilateral action, or in groups as relatively small as that comprised in the Commonwealth. It might, therefore, be desirable for all the nations that are substantial producers or importers of food to undertake in co-operation a systematic review of the conditions of world trade in agricultural products and the rules under which such trade can be carried out with harmony and good sense. The Government of Canada would be prepared to join in such an effort, for which the machinery set up under the General Agreement on Tariffs and Trade provides a convenient forum for a realistic discussion.

Food Bank

Out of such a review would come useful ideas to be applied in the setting up of a food bank. We must expect surpluses of food to persist and unless and until means can be devised to remove them from commercial trade and use them to meet the needs of those who cannot produce or afford to buy the food their peoples need for proper sustenance.

I would like to see a transfer of surpluses undertaken co-operatively by the major producing countries on a reasonably systematic basis. Emergency requirements could be promptly met from such stockpiles, and under-developed nations needing food would have a source from which to meet their needs.

Most members of the Commonwealth are concerned with the instability in markets and prices for primary products. This instability certainly makes doubly difficult the effective and orderly economic development of those member nations which depend largely upon the export of such products. We have joined in agreements to stabilize prices of tin and sugar, of which we are consumers, as well as in the agreement on wheat, of which we are an important producer. We stand ready to examine in detail, and in good faith, proposals for other agreements. We believe the wheat agreement has been of value, and we shall take a lead in seeking its extension next year, and the participation of the United Kingdom in it.

Education

Canadians feel that our co-operation in the field of education within the Commonwealth should properly be extended. Under the Colombo Plan and the operations of the United Nations and other agencies, there is an interchange of technical knowledge and skill, essentially for economic purposes. This was, and is, most urgently required to initiate and support economic development. I believe something more is needed in the field of education generally, over and above the private and official aids already offered to enable persons in various parts of the Commonwealth to study or teach in other countries of the Commonwealth.

I would suggest that this Conference give consideration to agreeing in principle on the establishment of a broad and reciprocal Commonwealth programme of scholarships and teaching fellowships, to strengthen the intellectual resources of the nations' members, to encourage the interchange of ideas, and to further the sense of common purpose and understanding in our younger generations.

Such a plan would provide for students and teachers to study and to teach in the schools and universities of other member nations and would apply particularly to schools and universities in the Asiatic and African nations of the Commonwealth.

The Commonwealth - An Example for Rest of World

These are but a few of the questions that occur to me as worthy of attention.

Ours is an age of crisis; ours is an age of challenge - a spiritual struggle for the minds of men. If despair should triumph, then right and freedom would fall before wrong, oppression and tyranny. But if the challenge of these days inspires a sense of dedication, of expectation, of hope, even of exaltation, in the possibilities of new achievements, then the forces of justice, freedom and humanity will rise to summits not yet imagined or attained.

We live in times such as were described by Dickens as he contemplated the French Revolution:

"It was the best of times, it was the worst of times,
It was the Age of Wisdom, it was the Age of Foolishness,
It was the Epoch of Belief, it was the Epoch of Incredulity,
It was the Season of Light, it was the Season of Darkness;
It was the Spring of Hope, it was the Winter of Despair;
We had everything before us, we had nothing before us.
We were all going direct to Heaven, we were all going
direct the other way..."

We live in such a period, but with faith in the right. Fortified by far-seeing action, we shall not fail.

Interdependence among the free nations, and not independence, has become a political imperative of this age. Indeed interdependence is the only sure foundation for survival. The peoples of the Commonwealth have a message for mankind, having learned by trial and error the secret of integration in a world threatened by the forces of disintegration.

I believe with all my heart that it is given to the members of this Conference to provide the means whereby the future of this Commonwealth will be assured, and mankind everywhere will benefit.

I believe that out of this conference will come a renewed unity and determination to exert in partnership with other nations of like dedication, and ever-widening influence for good among the peoples of the world.

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TASKS FACING UN: CANADIAN VIEW

Address by Mr. Sidney E. Smith, Secretary of State for External Affairs, in the General Assembly of the United Nations, New York, September 25, 1958.

The prime purpose of the United Nations in its present phase of development is the pursuit of peaceful settlement and peaceful change, not by force, but by reconciliation. In this process the general debate with which we open our proceedings each year has an important function. It provides an invaluable opportunity for broad exchange of views on the international situation and upon the specific tasks which our organization faces. In the world of today it is not surprising that these declarations of policy by nations, great and small, demonstrate a wide divergence of views as to the methods by which our problems might be resolved in achieving the noble aims of the Charter. This clash of policies -- this urging of certain courses of action as good and the denunciation, sometimes in heated terms, of other courses of action as bad -- which takes place in this forum does, I believe, serve a purpose which is far greater than the mere publication to the world of national policies of member states. This debate -- this exchange of views -- is a part of the process of negotiation and conciliation, a part of our efforts to ensure international peace and security.

I desire, in this spirit, to express to you a Canadian view on some of those matters which we have on our agenda.

The Middle East

It is only a few weeks since we met together here in special session on the Middle East. We look forward to receiving from the Secretary-General a report on the implementation of the Assembly's resolution of August 21, passed at the conclusion of that session. I do not wish to say anything which would anticipate the Secretary-General's report, but I do think that we should consider briefly what lessons, what guidance, may be derived from our recent experience in the special session in

order to help us in dealing with the many topics, covering all quarters of the world, which are before us at this session.

We recall first that the Assembly which met in special session last month was a deeply divided and anxious body, many of whose members felt that their interests were vitally at stake in the proceedings. The discussion was, in general, reasoned and moderate in tone; and as we all know, the result was a resolution passed unanimously, to the credit of all member nations. There are grave subjects on our agenda now, on which opinion is also deeply divided, but surely we can hope and expect that the debate on these subjects can be conducted with a similar lack of polemics, and with a similarly reasoned approach. The recent special session has shown us that this is possible, and it has provided an example -- I think an outstanding example -- of the ability of the United Nations, in the words of the Secretary-General last year, to "serve a diplomacy of reconciliation" and, so to speak, "to blunt the edges of conflict among the nations".

The Secretary-General has defined the United Nations as being "an instrument for negotiation among, and to some extent for, governments". The passage of the Arab resolution of August 21 was a recognition that this "instrument for negotiation" is beginning -- perhaps more than beginning -- to constitute a separate entity which is somewhat more than the sum of its 81 parts, something to which the nations can turn when other more traditional means of negotiation and mediation are exhausted.

The "practical arrangements" which the Secretary-General was requested to make under the terms of the resolution of August 21, to uphold the principles and purposes of the Charter, may necessitate some innovation and improvisation in the development of United Nations representation appropriate to the circumstances. It is perhaps symbolic of the shift in world opinion in the face of the awful means of destruction that this latest United Nations initiative appears to foreshadow a civilian -- a diplomatic and political -- approach rather than a military approach on the model of some of the other bodies of The United Nations already functioning in the Middle East.

We must not, of course, be too optimistic in our assessment of the achievements of the special session. No one will draw the conclusion from the events of that session that the mere entrusting of responsibility for negotiation to a United Nations organism or official is in itself any assurance of abiding success, and we do not yet know the outcome of the protracted and very difficult negotiations which the Secretary-General has been conducting in the Middle East.

Nevertheless, the special session did produce a detente, a marked relaxation of tension. It also laid down, or reaffirmed, certain principles to guide the countries of the area in maintaining this detente. We must hope that the countries concerned will continue scrupulously to abide by these

principles; other members of the United Nations can also encourage them to do so, by persuasion, by reassurance, by exercising restraint and by adherence themselves to the general principles outlined in the resolution, both in this and other areas of the world.

Let me emphasize this point again. It seems to my delegation that the noteworthy fact of this United Nations endeavour to serve the cause of peace in the Middle East is this: we have seen the parties to a dispute willingly and spontaneously joining together, with the unanimous assent of the international community, to entrust to a third party, the representative of the United Nations, a task which they had been unable, in their normal relations with one another, to accomplish. We may indeed find this a valuable precedent for future action.

The Far East

Distinguished representatives have referred to the situation in the Far East, and in our view it is both appropriate and necessary that the United Nations should pay attention to the danger that the conflict in the Taiwan Straits might spread to engulf more than the Chinese off-shore islands. We should then be faced with a very serious threat indeed to the peace of the world. I record that the Canadian Prime Minister, speaking in Parliament on September 6, 1958, said that he thought that people wanted to be assured that nothing would be left undone to prevent any action that might result in the world sliding into disaster. And he suggested that it might devolve upon the United Nations to exercise responsibility in this direction.

Well, Mr. President, I think we were all encouraged by the fact that the representatives of the United States and of the Peking Government resumed direct negotiations with one another through conversations between their ambassadors in Warsaw. We still hope very earnestly that this quarrel can be settled peacefully, rather than through a resort to force, with all its parlous consequences.

There is, of course, another side to the matter. Peace cannot be won by giving way to force -- that is a lesson which has been learned at heavy cost in our times and we cannot afford to forget it. Negotiations, if they are to mean anything, must not be conducted under the duress of concurrent aggressive military actions. If, therefore, the leaders of the Peking Government wish to take advantage of the possibility of arrangements for a peaceful solution of the present dispute over disposition of the islands being made as a result of negotiations, they must be prepared to enter into an agreement to desist from the use of force. I am bound to say that such a solution would be very greatly helped by a disposition to abandon the threat of force and the techniques of force by the Nationalist Government

as well. If one is to condemn the use of force, one must also condemn provocations to the use of force.

We have looked with hope, therefore, to the Warsaw negotiations to arrest the dangerous drift towards war in the Far East. If, unhappily, we should be disappointed in this, then, Mr. President, I think that we would come to the point when the United Nations must recognize the existence of a serious threat to the peace and examine in what way it could use its good offices to avert a conflagration in the Far East. Such a threat to peace cannot be ignored by the Security Council if bilateral negotiations fail. The Security Council might itself hear the views of the contending parties, or it might be more appropriate in this delicate situation to make use of one or other of the various methods of seeking agreement by private discussion which the United Nations has found efficacious in the past. I doubt, however, if a contentious debate in this chamber would be of present help in the circumstances.

The first necessity is, of course, to put a stop to the firing of guns and other warlike activities. For, so long as the islands are subjected to active blockade and its defenders convoy in their supplies against the blockade, it is obvious that even an accidental armed clash might precipitate a general conflict, even though no one desired it. Surely it is not beyond our power, or our will, to find the basis of a cease-fire under equitable conditions which would give some assurance that peaceful negotiation of the disposition of the islands would, in fact, take place.

Such steps, then, are immediately imperative. We believe also that thought must now be given, by all concerned, to the unravelling of the twisted situation which has produced the present crisis off the China coast. A peaceful solution of the dispute over the Chinese off-shore islands could be a first encouraging step in this direction. The primary responsibility for the distrust and conflict which are at the root of the trouble in Eastern Asia lies in the communist record of aggressive and arrogant behaviour towards those who are not of their persuasion -- a record which can only, in small part, be excused by reference to the past sins of other imperialisms. We dare not forget the past and present activities of Chinese Communism in Korea and throughout Southern Asia, nevertheless, the adjustments necessary for peaceful solutions require us all to examine the contributions which we, on our part, can make toward reconciliation.

Disarmament

The small brush fire can easily become a widespread conflagration. The point has been laboured so often that we are in danger of accepting it as a fact of life and not as something which we must avert at all cost. The sacrifice, not just of sovereignty but of historic conceptions of national

policy, is essential if we are to move now towards disarmament. It is foolish to tarry with the argument as to whether disarmament must precede or follow the reduction of political conflicts and tensions. The fact is that we must move simultaneously along both lines.

Despite an unpromising situation at the conclusion of the twelfth session, the course of events in 1958 has been such as to encourage those governments which, like mine, hope to find greater security through an agreed programme of disarmament. The regular processes of negotiation within the United Nations were unfortunately disrupted by the refusal of the Soviet Union to participate in the work of the Disarmament Commission. We deplored that Soviet decision last year and we did so with a deeper conviction by reason of the efforts which we had made, in co-operation with other delegations, to reconstitute the Commission in a way which would warrant the approval of the vast majority of the members of the United Nations. We continue to regret that decision, not only because it has meant that no negotiations within the United Nations have taken place, but also because it was an additional illustration of the slight regard in which the Soviet Union holds the resolutions of the General Assembly. It is the hope of the Canadian Delegation that when our discussions at this session have come to an end the Soviet Union will have adopted a less intransigent position.

Notwithstanding these procedural difficulties, there have been concrete negotiations through other channels. We all take satisfaction from the fact that agreed conclusions were reached at the conference of experts who met in Geneva during July and August of this year to study the possibility of detecting violations of a possible agreement on the suspension of nuclear tests. We, in Canada, were pleased to be able to make some contribution to those discussions. And we have welcomed the statements of the United States, the United Kingdom and the Soviet Union that negotiations would begin on October 31 by their representatives on the suspension of nuclear weapons tests and the actual establishment of a control system on the basis of the unanimous report of the experts.

We look forward to an agreement among the three powers which have conducted nuclear tests. An agreement which would call for the implementation of a system along the lines which the experts have concluded to be feasible would directly affect many countries. Control posts would be located on the territories of a substantial number of states in addition to the three negotiating powers. Moreover, there are questions relating to the staffing of such posts and to the availability of the information recorded by the instruments at those posts. While agreement on the terms of a suspension of tests would be of direct interest only to those states which manufacture nuclear weapons, the interests no less direct of many states are involved in aspects of the control system. We would expect that,

if a basis for agreement is evolved by the three powers, suitable arrangements would be made for other governments to put forward their views with respect to the distribution and operation of the control system. It will be necessary for us, in so doing, to face the logic of the inescapable fact that these arrangements must apply to countries in Europe and Asia which do not normally participate in United Nations bodies.

The Canadian Government regards the developments which have taken place with respect to nuclear tests as an encouraging start towards a realistic programme of disarmament. We look forward to early arrangements for additional discussions on the technical plane to provide safeguards against the dangers of surprise attack. In our view, the value of a technical approach to specific disarmament problems in a step-by-step programme has demonstrated its worth, and we hope that the procedure may be extended to additional subjects. Such a course would be in keeping with Resolution 1148 which the Assembly adopted last year and which specifically recommended the establishment of groups of technical experts. An obvious example of a question involving technical considerations, to an important extent, is the problem of ensuring that outer space is used exclusively for peaceful and scientific purposes. This is, indeed, an urgent problem, and we have before us, as a warning and a guide, our experience with the problem of nuclear weapons, the solution of which has become increasingly difficult with the passage of time.

We are encouraged that progress is being made and we are not disposed to question the procedures which have made such progress possible. It is, nevertheless, our view, which I am confident is shared by all delegations, that the specialized discussions which are in prospect should in some way be brought more closely within the United Nations framework -- without interfering, of course, with their prospects of success.

The conference of experts in Geneva had the advantage of the services of the United Nations Secretariat and I understand that this will also be the case when the United Kingdom, the United States and the Soviet Union begin their talks on October 31 of this year. Moreover, we have before us in the form of a United Nations document, the report of the experts. However, the experts attending that conference submitted their report to their respective governments and not to the United Nations. At the very least, I think we should provide for the consideration by the United Nations of the results of the future talks relating to disarmament. I trust that means suited to this purpose will be agreed upon during the course of this session, so that the continuing interests of the United Nations in disarmament may be formally safeguarded. Agreement among the great powers is, of course, of fundamental importance in achieving disarmament, but there is a general world interest beyond that of the major countries involved which can find

expression and satisfaction only through the United Nations.

Outer Space

I have mentioned the hope of the Canadian Government that a start may be made, perhaps by means of a discussion of the technical details involved, on an effort to develop an agreement which will ensure that outer space will be used exclusively for peaceful and scientific purposes. The Canadian Government accordingly welcomes the proposal of the United States that the General Assembly should establish a committee to study the potentialities for international collaboration in the peaceful uses of outer space and to make recommendations for action by the United Nations. Last February, the Prime Minister of Canada spoke of the desirability of establishing an international space agency which would assure that jurisdiction in outer space would be vested in the United Nations and would ensure its use only for peaceful and scientific purposes. We have been devoting attention to the possibilities of international collaboration and we desire to share the results of our studies with any committee which the General Assembly may decide to establish.

Law of the Sea

Another subject to which I must briefly refer is the Law of the Sea. It will be recalled that, pursuant to General Assembly Resolution 1105 (XI) of February 21, 1957, eighty-six nations gathered in Geneva last February to attend the International Conference on the Law of the Sea. Very significant results indeed were reached at this Conference on a wide variety of questions. The four conventions which were drawn up by the Conference may be said to constitute a code of almost the whole range of maritime law, and stand out as one of the most notable achievements in the recent history of international law. Unfortunately, no agreement could be reached by a two thirds majority vote of the Conference on the difficult and exceedingly important questions of the breadth of the territorial sea and of a coastal state's right to a contiguous fishing zone.

The distinguished representatives are undoubtedly aware that recent events in the North Atlantic area have dramatically, if dangerously, demonstrated the great necessity of reaching agreement on a rule of law for these questions. I think that it is beyond dispute that there is, as illustrated in this area, an urgent need for the adoption by the international community of nations of a rule of law which can serve to reconcile the conflicting interests of various states and which can command the respect of all nations. The present situation regarding the Law of the Sea cannot be allowed to deteriorate further.

At Geneva, the Canadian Delegation put forward a proposal which in its final form would have given states the right to fix their territorial sea up to six miles and a fishing zone contiguous to its territorial sea extending twelve miles from the baselines from which the territorial sea is measured,

in which zone the coastal state would have the same rights in respect of fishing as it has in the territorial sea. Believing as we do that extension of the territorial sea should be curtailed as much as possible in the interest of the freedom of sea and air navigation, we considered that this proposal would meet the growing concern among coastal states for their off-shore fisheries and at the same time obviate the need to extend the territorial sea. It is the goal of the Canadian Government to see such a clear and easily applied formula established as a rule of law.

One of the items on the agenda at this session of the Assembly will be the question of the advisability of convening a second international conference of plenipotentiaries to deal with these matters left unsettled at Geneva. My delegation is convinced that the international community of nations can reach a satisfactory solution on the questions of the breadth of the territorial sea and of fishing rights in the contiguous zone. We believe that the best way to do this is by convening a new international conference at which all members of the United Nations and its Specialized Agencies may attend. The convening of such a conference cannot be delayed if we are to stop the situation from steadily worsening. As representative of a country whose motto reads "a mari usque ad mare" and which is confined by three vast oceans -- on the east, west and north -- I can say that Canada is deeply concerned with the present situation and attaches extreme importance to the early solution of these questions. The Canadian Delegation, therefore, intends to give its full support to the convening of a new international conference at the very earliest practicable date.

U.N. Peace Machinery

In the course of our deliberations here we will consider an item proposed by the Secretary-General on the experience of the United Nations Emergency Force and the lessons which might be derived therefrom for future United Nations policy. We shall consider with great interest the views of our Secretary-General, whose remarkable accomplishments in this field inspire in us such great respect. He has been a great pioneer himself, and I hope that action by us on the basis of his comments or recommendations may enable us to give him more adequate support when we call on him again, as I am sure we shall.

Members of this organization are aware that Canada has consistently supported UNEF. We have supported and advocated the maintenance of UNEF because it has been effective and we are confident that, as constituted, it will continue to be effective. A glance at the figures regarding incidents which are contained in the Secretary-General's report on UNEF of August 26, 1958, illustrates my point. Not only has the force been able to prevent a resurgence of violence and bloodshed along the armistice demarcation line, but by so doing it has, we are convinced, contributed toward what we hope will be a steady improvement of the political

atmosphere to the point at which fruitful efforts can be made to reach a durable settlement of problems in the area.

Canada would welcome a renewed effort in the direction of more permanent and effective arrangements to meet the requirements of the United Nations. I do not suggest that our summary study in connection with the Secretary-General's report should necessarily constitute the basis for the creation of a permanent United Nations force of the UNEF type. Clearly the employment of a UNEF would not be appropriate in every conceivable emergency situation. However, we think the experience derived from UNEF should serve as a starting point and a useful guide to the drawing up of a blueprint for effective United Nations action to meet various future contingencies. We realize that these contingencies are many and varied and that it is not simple, or even perhaps desirable, to try and specify them.

It is just as important, in our view, to study the precedents set for us by those United Nations emergency agencies, none of which could be described as a force. While in certain circumstances something of the proportions of UNEF may be required, it is often better to make use of the truce-supervision type of body, or something along the line of the United Nations Observation Group in Lebanon. We Canadians have also had a good deal of experience in these agencies both under United Nations auspices and in the International Supervisory Commissions in Indochina and we believe firmly in their effectiveness under proper conditions. It is worthy of note that the officers of the Commission in Indochina have now completed four years of collaboration with the authorities of the countries in that area in maintaining an international armistice agreement, and they have done so without carrying arms of any kind. The moral authority of an international commission, carrying with it the sanction of the international community, should not be underestimated.

The need for flexibility in our approach to breaches of the peace is made all the more necessary by the complexity and delicacy of the issues which so often confront us. The despatch of armed forces under a United Nations banner is by no means always the best method of dealing with situations in which internal and external forces are engaged simultaneously.

There can be no question as to the interest of the United Nations in preventing any outbreak of violence which may affect international peace and security. There are very grave questions as to how far it may be appropriate or expedient in particular cases for the United Nations to intervene, even in order to prevent a disturbance of the international peace, by measures of force which are not directed against an aggressor, but against one or other of the parties to an armed conflict which is in the nature of a civil war.

The United Nations has no responsibility to maintain by force the established authority of any régime against its people, or to prevent an established régime from putting down rebellion. We cannot go so far as to say that all force in cases of civil conflict is illegal and expect the United Nations to maintain the status quo in every individual country through the world. Clearly, it is equally wrong to suggest that if the régime in power in any country is changed by force from within, that the United Nations should intervene to protect the newly established authority against the old. Nobody contemplates the assumption by the United Nations of any such responsibility and it would be generally expected that no United Nations force or measures of force should be utilized either to aid or to quell internal rebellion. But when a civil conflict develops in such a way that other nations become directly involved, or threaten to intervene, and the international peace is in danger, this great organization cannot be unconcerned. There is room then, in such cases, for the exercise of good offices, for efforts of mediation and conciliation and perhaps, indeed, with the consent of the countries concerned, for the establishment on their territories of some United Nations force or body as a safeguard for the international peace, and to preserve the integrity of a nation from outside aggression. I emphasize that this must be with the consent of the countries concerned because the Soviet representative has attempted to distort our intentions. My country would not be a party to an effort to impose any kind of international police force on the countries of the Middle East or elsewhere. We think the widespread use of the term "international police force" in this connection is perhaps unfortunate. The role of the United Nations is to assist member states to find peace. It could not, even if it would, impose its will upon them in this form.

We have failed to put into effect the provisions of Article 43 of the Charter, under which it was envisaged that the United Nations would have adequate force to intervene in any case of a threat to the peace, breach of the peace, or act of aggression, and take effective measures to maintain or restore international peace and security. There is no immediate prospect of our reaching agreement on the provision for the United Nations of forces available to act against any country which the United Nations should declare to be an aggressor. We can earnestly hope and pray that the need for them will never arise. In the meantime, we need not fail in more modest efforts to provide less complicated machinery which could take the action necessary to prevent small wars from developing, or to maintain and supervise a peace which has been established. The success which has been achieved by the United Nations Emergency Force and by various observer groups established by the United Nations points to the need of further development of machinery of this kind in order to help the United Nations to discharge its responsibilities.

The increasing importance of the peace-making activities which I have mentioned emphasizes the role of the smaller powers in the United Nations. The assumption of greater responsibility is perhaps good for the souls of the middle powers. It has been all too easy for us to belabour the great powers and find in their sins the causes of all our trouble. It is, not infrequently, the irresponsibility of a lesser power which has involved the United Nations in a crisis, and we should bear in mind that such irresponsibility inevitably encourages the great powers to assume greater authority. The lesser powers are not wiser or more virtuous just because they are smaller. Nevertheless, our lack of the capacity for global aggression and our limited involvement in world affairs do give us the chance to play a peace-making role which is denied by circumstances to the great powers. This represents, to some extent, a shift in the nature of the United Nations as envisaged by its founders. The Charter was based upon the principle of collaboration among the great powers to keep the peace. If this basis is not as yet possible, then it is up to the lesser powers to do what they can in the meantime. We should then be in a sounder position to warn the great powers that the United Nations was not established as a forum in which they could play the game of power politics, and that the lesser powers have roles other than that of pawns in a cold war.

I take this opportunity to pledge the intention of Canada to contribute as can be reasonably required of us to work for peace through the United Nations.

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GOVERNMENT



OF CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/38

A TRIANGULAR RELATIONSHIP

Excerpts from an address given on September 30, 1958, by Mr. Sidney E. Smith, Secretary of State for External Affairs, at a dinner in the Hotel Astor marking the official opening of Canada House in New York City.

It requires little or no underlining on my part to emphasize to you the importance not only to Canada and the United States, but to the whole free world, of a continuation and a strengthening of the mutually beneficial bonds at all levels between our two countries.

I can best describe the relationships which I have in mind by using the geometric symbol of the triangle. Here we have evidence in Canada House of the strengthening of the base of the triangle, that is, Canada-United States co-operation. We must not take for granted the maintenance and reinforcement of that base. In fact, by referring to the other two sides of the triangle which are Canada-Commonwealth co-operation and the Commonwealth-United States relationship respectively, we are sketching relationships which are basic to the economic prosperity not only of the countries concerned, but of the world. I reiterate, however, that in speaking to you about the two sides arising from the base, I am neither overlooking nor forgetting the importance - economic, political and social - of the base.

Now let us look at the face of the triangle which represents Canada's relations with the Commonwealth, that unique association of independent states which has emerged from an empire of an earlier day. If geography has given us an intimate type of relationship with the United States, so have history and tradition resulted in a Canadian habit of mind which, though conditioned by a continental environment, looks constantly abroad, in a diverse perspective, on other nations and other peoples from whom we may differ but with whom we also share vital beliefs and ideals.

The cynical student of history would maintain that the Commonwealth concept is little more than the smile that remained after Alice's Cheshire cat had disappeared. He would argue that the Commonwealth is nothing more than an old boys' club which meets periodically with little more to do than join voices in a nostalgic chorus of Auld Lang Syne. What is the Commonwealth, he asks in exasperation, if it has no overriding sovereignty, if it has no formal pacts or treaties holding it together, or if it has no permanent and centralized machinery. How can such an ephemeral concept mean anything to anyone other than its own members?

Political relations in their subtler forms do not always reveal themselves to such out-and-dried forms of analysis. To the observer who sees a formal document and a set of rules as the only *modus operandi* in international affairs, the nature of the Commonwealth relationship must indeed be mysterious.

Intangible though our Commonwealth attitudes may be, they can be - they are - of enormous importance in the world in which we live. They are important because they can and do bring people closer together in the pursuit of objectives, the achievement of which are significant not only to themselves but to others. As an example of Commonwealth co-operation for the strengthening of the entire free world I need only draw your attention to the trade and economic conference of Commonwealth Nations which concluded its deliberations in Montreal only last week.

I would repeat that this face of the triangle, not only geometrically, but socially, economically and politically, directly bears on its base, which is Canada-United States co-operation. Indeed, to be effective, many of the courses of action which were suggested by Commonwealth leaders will require and result in a strengthening of our interdependence.

It is not surprising that the idea of interdependence should have been a general concept at a conference, the theme of which was expressed in the following words: "an expanding Commonwealth in an expanding world economy." From this theme it is not difficult to deduce that the spirit in which the deliberations were held was outgoing rather than introspective. Inclusive rather than exclusive, comprehensive rather than restrictive. If the purpose of the conference was to strengthen the Commonwealth association, it was not against others but in co-operation with others. Prosperity cannot be isolated. Economic welfare and stability cannot be walled off into neat compartments. For the Commonwealth to have any meaning and validity in an economic context, it must be as part of the free world. Measures designed to promote prosperity must have a relevance for Commonwealth and non-Commonwealth nations alike - for the United States, for Latin America and beyond.

Time allows me to refer to some of the main attainments of the conference.

One of the main concerns was the expansion rather than the restriction of trade. In considering this problem, the conference gave strong support to the proposal recently announced by President Eisenhower that the resources of the International Bank and the International Monetary Fund should be increased. With more money available through these two institutions, world trade can, we believe, be expanded substantially and world currencies effectively supported. Canada's Prime Minister, the Right Honourable Mr. Diefenbaker, had indicated in early August that Canada would favour such a move in order to assist particularly in the development of trade and financial stability in newly emerging countries.

During the Montreal conference, the United Kingdom announced the removal of its post-war discrimination against dollar imports on a number of commodities of commercial importance, not merely to Canada, but to the United States. Added to that announcement was the indication that the United Kingdom sees this action as a step toward an eventual removal of all barriers which the war and its aftermath had imposed upon that great trading country. The Canadian Minister of Finance had at the beginning of the conference urged the United Kingdom to take rapid steps towards the complete convertibility of sterling. In welcoming the announcement made by the Chancellor of the Exchequer, he agreed that a substantial move in the right direction had now been taken. I cannot emphasize too much how important these policies of the United Kingdom are, and will be, for the trade of the two principal dollar countries, the United States and Canada.

One of the important elements in trade nowadays is, of course, the convenience and speed of business communications. To that end, agreement in principle was reached at the meeting in Montreal to construct a globe-girdling cable for telephone and telegraph communication among all members of the Commonwealth. Every continent on the face of the globe will be linked more closely as a result of this network. In North America there is Canada. The West Indies, in turn, are a gateway to Central and South America. Australia and New Zealand will be the Southern most anchor points of this system. In Asia, India, Pakistan, Ceylon and Malaya constitute further links, as do Ghana, the Central African Federation and the Union of South Africa with respect to the vast African continent. The United Kingdom, of course, will be the final link in this chain of Commonwealth inter-communication.

No less important than matters affecting trade are the steps taken toward improving the economies of member countries. In meeting the problems of some of the newer members of the Commonwealth, aid and trade are almost synonymous.

One major announcement by Canada was that our annual Colombo Plan contribution would be increased by almost fifty per cent. The Colombo Plan represents perhaps one of the best examples of the way in which a Commonwealth initiative can be expanded to include other countries in the overall interest of the free world. Although the Colombo Plan originated eight years ago in a meeting of Commonwealth foreign ministers, the United States is now an important participant in this programme of aid to South-East Asia and, indeed, the annual meeting of the Plan's Committee is scheduled for Seattle next month.

Increased assistance will be provided for countries outside the Colombo Plan area - such countries as Ghana and the Federation of the West Indies.

In addition to suggestions that more attention should be paid to the possibility of international commodity agreements among producers and consumers to ensure a steady and profitable market for primary products, the problem of surplus food production was also a subject of careful examination. We made it plain at Montreal that Canada, while not interfering with commercial markets, would make determined efforts to use our food products to help the less well developed countries.

Finally, we spent considerable time in discussing arrangements for a programme or exchange scholarships and fellowships among Commonwealth countries. Behind this proposal is the recognition that political and business relationships are influenced more than we realize by considerations directly related to the individual.

From the effective operation of this programme there can emerge a greatly enhanced measure a mutual confidence, respect and appreciation for one another and a predisposition towards agreement. The fostering of these qualities will, I am confident, have a far-reaching effect in drawing people of diverse areas of the world closer together. This emphasis on scholarships and fellowships to be used predominantly in the fields of humanities and social sciences is perhaps, at first glance, remote from the subject matter of the meeting as indicated by its designation as a trade and economic conference. But there is a vital relationship between the two.

One rainy Sunday morning a father was reading his newspaper when his small child began worrying him for something to do because he could not play outdoors. The father, noticing a full page map of the world in his paper, ripped out the page and cut it into small pieces hoping that the remainder of the morning would be occupied for his son. Ten minutes later the child was back at his father's side again asking for another game. "How did you manage to put all those pieces together so

quickly?" was the astonished Parent's question. "Well, Daddy," came the reply, "there was a picture of a man on the other side of the map; I just put the man together and the world looked after itself." How true!

I think that it is newsworthy that a beginning was made in Montreal by cutting away some of the barriers to an increased trade within the Commonwealth as a preliminary step towards an expanded world trade. Moreover, constructive steps were taken towards improving the domestic basis for an increasing and continuing exchange of goods so that all peoples may share in prosperity and receive the benefits resulting from nature's bounty and man's productivity.

In the statement summarizing the results of the conference, one clause above all others must have caught the eye of an interested United States observer: it is to the effect that for the proper accomplishment of the conference aims, the co-operation of the United States is required. What does that mean? A handout? Certainly not: the Commonwealth Trade and Economic Conference was a meeting of a group of countries which, like Canada, are fiercely proud of their independence.

It would, however, be unrealistic for Commonwealth leaders to pretend that events and pressures outside the Commonwealth could be disregarded. They knew that in order to be effective, the policies which they agreed on in conference would have to harmonize with the policies of other nations in the world, and especially with those of our friends and allies. I now return to my original geometric metaphor to remind you that a triangle has three sides, and that the third face of the figure which I have attempted to sketch is the Commonwealth-United States relationship.

What, then, did the conference expect of the United States? Again I repeat: not a handout. Co-operation and comprehension of consequences may sum up the expectation, or at least the hope. These can be manifested particularly in three ways:

(A) In the first place, by implementation of the proposal put forward by President Eisenhower for an immediate substantial increase in the resources available to the International Bank and the International Monetary Fund.

(B) By participation in a careful commodity by commodity approach to the orderly marketing of raw materials and to ways of ensuring that primary producers throughout the world may experience enough sense of security and receive sufficient compensation for their labours to build a firm base of economic stability in the countries affected.

(C) Most difficult and demanding of all - perhaps too much to ask of any but a people with a high concept of social responsibility - I think that there was implicit in the conference atmosphere a fervent hope and confidence in the United States. It was a hope and confidence that the United States would exercise in its commercial and economic policy a measure of self-restraint and discipline which can serve at once as an example to others and as a practical means toward achieving reasonable standards of living in all countries, maximum exchange of goods and services, and the development of a true sense of community among people.

In matters of commercial concern there must be found reconciliation and accommodation between independence and inter-dependence.

On my native Atlantic coast we were early taught to box the compass. Tonight, in a manner foreign, perhaps, to Euclid, the father of geometry, I have endeavoured to beat the bounds of a triangle, the base and symmetry of which mean much for the strength and stability of the countries within it and for all the nations of the free world. Can Canada and the United States, which constitute the base of the figure which I have sketched, continue to provide by word and deed an example to all the countries within and beyond the triangle, through the reconciliation of independence and interdependence? To attain that end, let us on the base work for the banishment of indifference and apathy and myopic vision.

For us, the haunting question of the ages, "am I my brother's keeper?" is not only deeply spiritual, but it is fraught with social, economic and political meaning.

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STATEMENTS AND SPEECHES

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No. 58/39

ROADS TO RESOURCES

Notes of Speech prepared for delivery to the Canadian Good Roads Association by Mr. John G. Diefenbaker, Prime Minister of Canada in Montreal, October 2, 1958.

... From the earliest historical times good roads have been one of the marks of a successful society. The remains of the Appian Way, the Flaminian Way, and other great roads constructed by the ancient Romans still stand as monuments to a highly developed civilization.

A few years ago the International Road Federation of the United States made a survey of highway facilities and needs of many countries for the Technical Co-operation Administration of the United States as a guide for assistance to underdeveloped countries.

In the introduction to this survey by Mr. Horace Bushnell, the following excerpts appear:

"If there is any kind of advancement going on, if new ideas are abroad and new hopes arising, then you will see it by the roads that are building. Nothing makes an inroad without making a road.....The economic and social value of highways must be given top consideration in the development of any country.....Roads are essential to give access to the untapped wealth, mineral forest and agricultural, of any country because they are most vital to integration and social and economic progress of a nation".

The importance of good roads has been amply confirmed by history and even today in the context of the Twentieth Century, with all the fantastic means of transportation available to us - of which trans-polar trips by nuclear submarines and excursions into outer space are the most recent and dramatic illustrations, good roads continue to be an essential factor in national progress and development.

The need of good highways has not and cannot be met by air, water or other land transportation systems. Hundreds of thousands of people in Canada depend on highway transportation for goods and particularly perishable products and as a means of disposing of the products of their labour. As a matter of record 73 per cent of cattle and hogs are moved to the markets without the deterioration that took place in the days before the development of our highway system. The D.B.S., in a current survey, concludes that the total of freight moved by road transport is greater than that carried by all other means of transport. While the results of the survey are incomplete, they would indicate that some 240 million tons are carried by road against 170 million tons by rail, 30 million tons by water, and 2 million tons by air.

The daily transport of thousands of children to consolidated schools has been made possible by the construction of roads, and a child on the back concession is given an opportunity for education equal to that of a child in the more populated areas.

Unlike ancient Rome, Canadian roads do not all lead to the Capital City; nor do they originate there. In a federal system with its division of jurisdiction, sometimes exclusive, sometimes overlapping, the major share of responsibility for road construction has rested traditionally with government at the provincial and municipal level. This is as it should be, for government should be kept as close as possible to the people it serves.

Having regard to the difficulties of construction in many parts of our country and the vast distances involved, the provincial and municipal governments have done an outstanding job in developing a system of roads and highways that is unrivalled by any nation of comparable population and size. Indeed, some of the road-marking devices and other features of the provincial highways systems are regarded as models of their kind by many of the States of the Union to the south of us. It is a fact not too widely realized that Canada has more surfaced roads per capita than the United States. Surfaced roads have almost doubled since the beginning of the Second World War, and almost 100,000 miles have been added since that war ended.

The total expenditure last year on roads amounted to \$614 million, of which 65 per cent was by the Provinces, 22 per cent by the Municipalities, and 4 per cent by the Federal Government, and the balance by private industry or others.

Although the primary responsibility for roads rests with the provinces and the municipalities, it has been recognized increasingly in recent years that there are national considerations which warrant federal financial participation in co-operation with such provinces as desire road building. For example, the central government has assumed responsibility for roads in

Canada's eighteen National Parks; certain roads in and around civilian airports and defence installations; and a number of important driveways forming part of the development of the national capital.

The outstanding example of federal interest in good roads has been until last year, the Trans-Canada Highway. Working in the very closest co-operation with the various participating provinces, the Federal government has already invested more than \$160 million and is committed to an additional expenditure of nearly \$100 million on this national undertaking.

Furthermore, it is the Federal Government's intention to contribute one half of the costs, up to a maximum of \$2 million, to an important auxiliary project of setting up picnic areas and campgrounds at regular intervals along the route of the Trans-Canada Highway, suggested by a number of the provinces at last year's Federal-Provincial Tourist Conference.

This offer has been sympathetically received by a majority of the provinces and the work on this programme will, I hope, get underway during the coming winter.

The provisions of facilities of this kind along the Trans-Canada Highway should do much to promote tourist traffic - a growing source of revenue to Canada; to make travel on the Highway safer by providing attractive resting places; and to strengthen national unity by encouraging more interprovincial travel by Canadians and to provide winter employment.

I have said that, until recently, the Trans-Canada Highway has been the most important example of federal interest and participation in road building. This is so because road construction has been concentrated very largely in the southern and settled parts of Canada - that narrow band extending northward some 200 miles from the United States border in which nine out of every ten Canadians now live. But beyond this to the north is a vast and largely undeveloped area that is one of the last great frontiers left anywhere on the face of this earth. It is a promising and strategic area, literally unmatched in its resource potential but practically unscratched in its resource development.

Canada produces nickel, asbestos, zinc, lead and copper, titanium, beryllium, iron, etc. As the world enters the atomic age Canada's Northland has become a gigantic carrier of potential defence minerals. The United States is running low. Since 1914 industry in the United States for peace and war has used more minerals and mineral fuels than were consumed by all the world in all the ages. With its mineral potentialities, its forests, its tourist attractions, the great Northland of Canada is no longer a forbidding waste of ice.

What better preparation for the hundredth anniversary of Confederation could there be than to spend the last decade of our first century as a nation in concentrating on the development of that sparsely populated but tempting four-fifths of our national territory that makes up the Canadian north.

Transportation is undoubtedly the key to northern development and in all our plans roads must occupy a prominent place. To this end, the Federal Government has already embarked on two large-scale and imaginative programmes that can and will have the most far-reaching consequences for northern development.

First, under the Roads to Resources policy announced last spring, federal and provincial governments will share equally in the cost of over a \$100 million programme of development roads to be undertaken over the next five or six years. The object of this programme is to make possible by joint contribution of the participating provinces, the construction of roads into undeveloped and underdeveloped areas in the provinces, and eventually to provide links with the northern territories beyond provincial boundaries.

Since this is a matching programme, an effort has been made to keep its total dimensions within the limits of the financial capacities of the participating provinces. Although formal agreements have not been concluded, projects have been agreed to in several provinces on a number of roads that will open to development new areas of known resource potential.

The second road programme is in the two territories - the Yukon and the Northwest Territories - which do not yet have the population or the economic strength to discharge the normal provincial role. These two territories will, in the foreseeable future, have provincial status and will take their place as partners in the Canadian Confederation. The Federal Government is a trustee for the people of these future northern provinces and must take responsibility for the provision of the basic transportation facilities necessary for resource development.

Over the next six or seven years the Federal Government will invest upwards of \$100 millions on development roads in the two territories. Existing roads such as the Mackenzie Highways, the Alaska Highway and the Whitehorse-Dawson road are being used as points of departure. From these, new roads will be pushed into areas which, according to the best technical appraisal available, present the most favourable prospects for development. It is not possible to be entirely assured that development will inevitably result from the construction of these roads any more than the railway builders of the 1880's could be certain that the Canadian West would develop following the railroad construction.

Canadians have overslept in failing to realize the potentialities of the North. Even now many Canadians are in a state of an awakening consciousness. Alaska was colonized before Canada became a nation and has now felt the full impact of southern divilization. Greenland, under Denmark's care, is a generation or two ahead of northern Canada in its development.

The Soviet Union - which has a dozen towns of 50,000 people or more north of the Arctic Circle - has realized the development and strategic demands and needs of the north. Canadians mean to redress this balance, and soon. Nothing can help to do so more quickly than the construction of roads - for lack of transportation, more than climate or any other factor, is the major obstacle to the development of the north.

The building and extension of highways into these Northern areas would pay dividends in national development. Roads will provide for the greater utilization of our resources, which would sustain a high level of economic activity. Such a policy would provide gainful employment, and it would meet the need for defence roads in vulnerable and inaccessible parts of our country.

To Canada as the nearest neighbour of the United States and the U.S.S.R., good roads, in particular into the Northern areas, are essential to the mobility of defence forces and material should war come suddenly. Roads into the Northern area would constitute a vast attraction to the United States' tourists who are eager to travel into the most northerly areas.

Under private enterprise the initiative for resource development must come from individuals or companies which are prepared to take a calculated risk based on their faith in the future potential of the resource concerned. But there is a role for governments as well - an important role to be carried out if the efforts of individual initiative are to be encouraged and not restricted. It seems to me that it is the clear responsibility of government to provide opportunity for the development of our national wealth for the benefit of all Canadians.

I would be the last to suggest that nothing has been done in the past. Many venturesome spirits did traverse, explore and settle those faraway parts, but for decades after 1867 we Canadians were busy becoming a nation. The development of the West - which could never have happened had not men of vision and confidence undertaken the construction of a trans-continental railway absorbed the pioneering energies of Canadians until after the turn of the century. Since then, Canadians have been preoccupied with wars and rumours of wars, and the development of the industrial heartland of central Canada. The possibilities of our north have been largely forgotten or ignored.

Now, in this last decade of our first century, we are once again on the threshold of a new era that can be as exciting and challenging as was the settlement and development of the Canadian West. Maximum development of the North will demand the same courage, faith and hard work. It will require action by government directed to the national interest and must be related to the legitimate claims of all areas and have the confidence and backing of private enterprise.

Within this framework I am convinced that through the partnership of public and private endeavour there can and will be a tremendous development in Canada's north in the next decade. That vast, and as yet largely undeveloped north, contains great forest wealth, much land suitable for agriculture, large untapped hydro-electric resources and, above all, a mineral wealth that will one day dwarf the giant developments that have already taken place in any now developed parts of this country. The open-sesame to it all is roads: not necessarily good roads - a statement I hesitate to make before this audience - but roads, passable roads, the most miles we can get for our dollars - roads that will lead on to resources and untold riches.

In closing I cannot fail to take account of the sobering fact that all our future is today threatened by the ever-present possibility of world conflict. Even as we plan for the development of a greater Canada - a Canada that will prove the prophecy that this was to be our century - we must recognize the fact that we are living in troublous times. We cannot blind ourselves to the fact that all about us, the cross-currents of two competing philosophies are seeking to direct the future course of mankind's history. If this fundamental cleavage in human thinking is to be resolved, there is an important role for nations such as ours which reverence freedom and honour the dignity of the individual.

And so, plan we must for good roads that will lead to greater national development, but over and above our national aspirations we must recognize our broader responsibilities to the world at large and be prepared manfully to do our part to help lead the nations along the good road that leads to progress and prosperity in a world at peace.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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No. 58/40 CANADA - UNITED STATES, PROBLEMS AND PROSPECTS

An Address by Mr. Gordon Churchill,
Minister of Trade and Commerce,
to the Economic Club of New York
on Monday, October 20, 1958.

Your interest in Canada, as indicated by your invitation to have me address you, is of course flattering. Your interest has been increased, I presume, by your knowledge of the change of government that took place in our country in June 1957 and by the land-slide victory that we achieved at the polls in March of this year. Republicans and Democrats alike may be a little envious of such political success, and may be doing a little wishful thinking and wondering what the Conservatives in Canada have that they have not got. However, I have not been asked to speak about political matters but rather to discuss the less exciting although fundamental and important subjects of trade and economics. Your programme indicates that, of all the policies of the new Canadian Government, those affecting economics and trade have aroused the most interest and discussion south of the Canadian border.

To Canadians this is all to the good. We want you to notice us. We do not want to be taken for granted. We were very pleased a year ago when the press of your country gave considerable attention to a speech made by our Prime Minister, the Right Honourable John G. Diefenbaker, at Dartmouth College, New Hampshire. He spoke on the Anglo-Canadian American community, a subject dear to the hearts of Canadians, for we like to think of ourselves as an integral part of the close association that exists among our three nations, the United States, Great Britain and Canada.

Historical Connections

We have never severed our ties with the United Kingdom as you did in 1776. George III does not mean anything in particular to us, just one among many sovereigns from William

the Conqueror in 1066 to Queen Elizabeth of the present. To you, George III is the evil genius who gives your historians a starting point for your school histories. Yet, prior to 1776 we were all members of one family. Now as a result of our close association in two world wars and in the present uneasy peace we are becoming linked very closely together again.

The links are strong and, as the years go by, will I hope, become even stronger; but not to the extent of domination by you over us. The history of Canada is the history of a long struggle against being overwhelmed economically by the United States. At one time in your history, in the revolutionary days and again in 1812, some of your people conceived the idea of freeing the Canadians from the yoke of Great Britain, and you took military action against our country. Later, in the years following the Civil War, certain armed bodies, whom we call Fenians, made hit-and-run raids into Canada. Our militia was called out and British regular forces were retained in our country to guard our borders.

These incidents over a period of two generations served to set Canadians in marked opposition to Americans. In addition, there are the basic facts of Canadian history, namely that the French in the Province of Quebec had no desire to become submerged by the United States and thus lose their identity, and that the English in Ontario and New Brunswick and Nova Scotia were largely displaced persons who had escaped from the States at the time of the Revolution. They and their descendants are known as United Empire Loyalists and the tradition is not yet forgotten.

During the period of the last ninety years, the struggle between Canada and the United States has been economic rather than political. Our forefathers, with great vision and determination and at great expense, constructed a trans-continental railways line to link our provinces together. Trade was encouraged in an east-west direction against all the forces of economics, for the north-south routes are obviously natural and cheaper. But because of our determination to remain politically a free and independent nation, we have persisted and have paid the economic price.

In the last forty years we have grown in strength, and our stature in the international field has steadily increased. We played our part from beginning to end in two great world wars. In the first, our casualty list was only slightly less than yours, although our population was only eight million. In the second, we bore a full share of the struggle, with a million men in uniform and in service on the battlefields, and with the whole capacity of our country devoted without reservation to the struggle for freedom.

With that background, you may see Canada as a proud and independent country, determined to pursue its destiny on the northern half of this continent. We have grown strong industrially; we are aware of our great natural resources; we see a future of promise before us; we are playing an active part in world affairs. Among our international interests, we place a high value on our link with the United Kingdom and the Commonwealth, and similarly we place high value on our friendly co-operation with the United States, our closest neighbour. We stand firmly on our own. We have never asked nor received any financial assistance from you. We seek no favours or special assistance, but consider that, between our two countries, inextricably linked together in continental defence, equally determined to uphold the cause of freedom, there should be a partnership based on mutual respect and good faith and complete trust.

That, I think, should be the basis of our relationship. It is strengthened every year by the constant and increasing inter-mingling of our peoples, as business association becomes enlarged, as the tourist industry develops and as we work together in the international field towards the same objective of world peace and security. However, to ensure the maintenance of close partnership, there must be a clear understanding, on both sides of the border, of the history, political movements and economic factors of both our nations.

Trade and Economic Relations

Canada is a country of 17 million people. In 1840, that was the size of your population now increased to ten times that number. Your development was extraordinarily rapid in the 19th century and in the early years of the 20th century, as millions of immigrants flooded into the United States, and as capital came from abroad to stimulate and expand your economy. You have become the world's most highly industrialized and most powerful nation.

The economic growth of Canada in the same period was much slower than yours, but it has now quickened and we have become one of the leading industrialized nations and the fourth largest trading nation. On a per capita basis, our commodity trade is $3\frac{1}{2}$ times that of the United States.

In recent years, our gross national product has been expanding more rapidly than that of the United States or the United Kingdom. If present trends continue, our population should be doubled in about twenty-five or thirty years and our national income and national output will exceed that of the United Kingdom. With our great natural resources, we are destined to play an increasingly important role in world trade.

Our natural resources make us increasingly important to you. We have read the Paley Report. We realize that, as the years go by, you will need more of our timber, our iron ore, our other metals and our oil and gas if the tempo of your industrial development is to be maintained. We welcome your interest in our economy, we welcome your capital investment in Canada for, by these means, we in our turn advance and develop just as the United States did with external capital investment a century ago.

Despite all these favourable factors that stimulate trade between our two countries and that arouse your interest in Canada, there are some irritants in Canadian-American trade and economic relations that are very apparent to us, and should be known to you.

Before the Second World War, our trade with the United States was important and was a large part of the total for our country, but it was not noticeably in the position of imbalance that it is today. Over this problem some Canadians are disturbed. Sixty per cent of our exports are going to your country each year and over seventy per cent of our imports come from the U.S. Our trade is concentrated too much in one country. Each year we import from you goods valued at a billion dollars more than the materials we sell to you. To correct this imbalance we have to acquire surpluses in our trade with other nations and attract capital for investment. If you would buy more from us, particularly in the field of manufactured goods, perhaps we would have less complaint. But you take our raw materials or semi-processed materials, put them through your manufacturing plants and sell the finished articles to us. If you would take finished articles from us, we could process more of our raw materials at home, employ more people, and raise the standard of living. Canadians would like to see this done, for we have the basic materials to support industry on a large scale.

Increased exports from Canada to the United States would certainly be helpful to us and we like to think not harmful to you. But, without this increase in exports to the U.S., we have to look abroad to stimulate our trade. Further, we have things to sell that you do not require, and markets therefore must be found elsewhere.

Our wheat is a good example of this. We harvest each year from 350 to 550 million bushels of the best hard spring wheat in the world. It is a quality product that is in demand abroad. We also have a surplus of wheat of some 600 million bushels. Your surplus, although larger, is only one quarter the size of ours if you estimate it on a per capita basis. With these two basic facts before you--good wheat and a surplus--if you want to irritate Canadians, who have been world wheat traders

for over two generations, all you have to do is subsidize your exports of wheat and flour, barter your wheat for strategic materials from countries who normally buy wheat for cash, extend long-term loans reaching almost into the next century and tie your loans to a compulsory annual purchase. The western Canadian wheat farmer is as knowledgeable and as politically vocal as his cousins in the mid-Western States.

You have been cutting into our markets for flour abroad because you subsidize your flour exports. If our two countries were on an equal footing financially, we could do the same, but at the present time your billions rather overshadow our millions.

We are so much more concerned than you with our export market for wheat and flour. Eighty cents of every dollar received by the Canadian farmer from his wheat sales comes from the export market. It is not so with you, for your domestic consumption takes between 60 and 70 per cent of your crop while ours takes only 20 per cent. Twelve per cent of the value of our total exports comes from wheat and flour sold abroad. With you it is less than 4 per cent. The western Canadian farmer must export to live and, if his export markets are interfered with by subsidized exports from other countries, his state of mind is not that of a completely satisfied individual.

There are other people than farmers in Canada. We have people who are very much interested in our developing oil industry; others who depend for a living on the mining processes connected with lead and zinc.

In these three fields, oil, lead and zinc, some difficulties have arisen because of the restrictions that your country has placed on the import of these commodities. We are not unfamiliar with some of the reasons that have brought about these restrictions.

Your national security makes it important that an active oil industry is in operation in your country. With regard to lead and zinc, we understand that your mines are facing problems that appear to be most easily met by the curtailment of imports. However, our concern is due to the fact that, as you protect your native industry, ours takes a serious loss by a reduction of about 20 per cent in its production and export.

Some of the present irritation over this action would have been decreased had there been prior consultation with Canada before action was taken. That is not an unreasonable request. It is one that some of your people have made to us at other times on other subjects. It is recognized good procedure among friendly nations. I welcome the recent proposal of the United States at the GATT Conference in Geneva that we should confer together and with other trading partners concerning this matter.

Continental Defence

More important in the eyes of Canadians, however, is the implication in your restrictive action on these commodities that our position in continental defence is not fully appreciated. If, for national security, the oil industry must be kept active and base metal production assisted, we do not readily see why we are left out. Is not Canada a full partner with you in the defence of the North American Continent? We occupy a portion of and have sovereign rights over all the northern part except Alaska. We are a tried and true ally--you have none better in the world. We are prepared to play our full part--as we have shown in the past--in the defence of human freedom. If we are to be strong in the military sense, we must also be strong in the economic field. We should be in your eyes a partner, not a competitor.

U.S. Investment Funds

There is a third field in which minor irritants can affect Canadian-American relations. You are all aware that there has been a heavy inflow of American capital into Canada in recent years. We have welcomed and we continue to welcome this inflow of American investment funds, and we have treated American investors the same way as we have Canadian investors.

A large portion of this capital inflow has gone into direct investment rather than into security investment, and with it, U.S. residents have acquired controlling interests over a wide area of resources and manufacturing industries in Canada. Now, most large U.S. Corporations are well briefed about developments in Canada. With all this expert knowledge at your disposal, we wonder why some of the policies of a number of the large U.S. Corporations, which have subsidiaries in Canada, are not more closely attuned to the needs and public sentiments of the country where these companies are doing a rather profitable business.

Broadly speaking, Canadians would like to see these foreign companies pursue policies leading to closer integration with the Canadian way of life without necessarily giving up control.

What are some of the specific things that subsidiaries of American companies can do to achieve greater integration with the Canadian way of life? They include:

1. Offering Canadians opportunities to buy equity stocks in the subsidiary companies operating in Canada.
2. Encouraging and training Canadian personnel to take an increasing part in the management and professional positions in subsidiary corporations.

3. Carrying out more research work and undertaking new development
4. Promoting exports from Canadian plants.
5. Using as many Canadian materials and component parts in their Canadian operations as can be economically justified.
6. Doing more processing of Canadian materials before export, where this can be done on a competitive basis.
7. Giving local management greater autonomy in operating Canadian subsidiaries.
8. Encouraging branch plants to participate more fully in the life of their communities.

Mr. Norman M. Littell, a member of the American Bar, has offered American companies the following advice:

"As you move out of your own country into Canada, other considerations than the profit motive must be brought to bear upon your decisions. Canada is our most indispensable ally in the world battle line to maintain our free way of life. The plant which you establish will be on Canadian soil. It will be a part of Canada and not of the United States it will become a part of the integrated economy of Canada and its people."

That is the philosophy that makes an appeal to Canadians. When I was in London three weeks ago, I talked to one of England's leading industrialists. Some years back his firm undertook to re-establish certain enterprises in Southern Ireland. Financially it was a success, more people were employed, all seemed well. But my distinguished friend was disappointed at the continued animosity that the Irish displayed towards his firm and all things English. An Irishman finally advised him as follows:

"Bring over to Ireland some of your Greyhounds, for our people like Greyhound racing. And bring over some of your thoroughbred race horses and take part in our racing events." The English industrialist took the advice and his name and that of his firm became popular. He had identified himself with the community.

That I think is the answer. If your branch plant in Canada becomes identified with the community in a broader sense than merely providing employment and wages, there need be no fear of any anti-American feeling being developed in Canada.

There is more to the economic life of our countries than mere exploitation and the skimming-off of profits. The ties that bind our two countries together can be strengthened

equally well by wise action in the area of trade and economics, as by friendly co-operation on the diplomatic level. The businessmen of the United States who are so active in Canada have a responsibility not exceeded by their fellow citizens who deal with us in the field of government.

Over the years, the United States and Canada have set an example of good neighbourliness unsurpassed elsewhere. We are destined to be drawn even more closely together, if the pressure of other elements in the world continues. May our friendship continue to be based on mutual respect and consideration--the friendship of partners whose object is the maintenance of freedom.

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STATEMENTS AND SPEECHES

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PEACEMAKING: FISSION AND FUSION

First lecture in the Henry Marshall Tory lectures, delivered by Mr. Sidney E. Smith, Secretary of State for External Affairs, University of Alberta, Edmonton, Alberta, October 28, 1958.

On this, the occasion of the fiftieth birthday of the University of Alberta, I bring to you on behalf of my colleagues in the Government our warm birthday greetings and our very best wishes ad multos annos. Fifty years is a long time in the life of a man, but it is a short period indeed in the life of a university. Yours, however, has been a remarkable half century of increasing strength and of widening influence for your province and thereby to our entire country and to the world. It seems almost incredible that the University of Alberta began fifty years ago so modestly on one floor of a high school, with the president and four professors who, together, almost outnumbered the total student body. At the beginning of this present session I understand that you have over five thousand five hundred students enrolled, and that your plans are complete for the establishment of the University of Alberta in Calgary, thus extending the service of the University. Even in a country such as ours which has become accustomed to near miracles of rapid development, this spectacular expansion of the service and prestige of your university must surely long since have out-distanced the brightest hopes of those courageous and enlightened men of fifty years ago who planted such a sturdy twig now grown into this vigorous and noble tree of learning.

In a more personal vein, I express my deep sense of the honour which the Friends of the University of Alberta have accorded to me in inviting me to deliver this year the lectures in memory of Henry Marshall Tory. The tangible memorials of this great Canadian are many, splendid and abiding, but who would venture to assess those more intangible memorials of the heart and of the mind - memorials which will keep alive the contributions of this dedicated scholar who was the founder of so much that is excellent in the intellectual life of our nation. The

glowing record of his career fully justifies the designation Scholar Patriot. Far from a shallow jingoism, his patriotism was based on a deep feeling for and an almost instinctive response to the challenges which form the core of the Canadian experience. His patriotism found expression in the creative efforts which he put forward on behalf of any enterprise which he considered to be a worthwhile contribution to the nation which he loved so well. He was, in fact, a nation-builder no less than those who wrote our constitution or who spanned the continent with the steel of railways, or who wrested new homes from an inhospitable wilderness, or who delved beneath the surface of the earth to bring forth hidden riches. He realized that the wealth of nations is more than a statistical abstraction; he knew that a nation must have profound spiritual and intellectual dimensions as well. And it was in the planes of the spirit and of the intellect that his contributions to Canada were made, contributions which have been woven, either directly or indirectly, into the very fabric of Canada. McGill University was his Alma Mater. From the life of that great institution he derived inspiration as a student and later he became more closely integrated with it as a member of the teaching staff in physics and mathematics. As the voyageurs of old had set out from Montreal in search of new horizons, so did the trail of this nation builder lead West for the development of new educational frontiers for Canada. His efforts, while associated with McGill University, led to the founding of a college in British Columbia which was later to become one of Canada's foremost institutions of higher learning, the University of British Columbia. The breadth of his spirit and the depth of his understanding linger on in the life of the University of Alberta, which he virtually founded. Countless men from all parts of Canada who served in the war of 1914-1918 are deeply in his debt for the opportunities which were made available to them through Khaki College, an educational enterprise which Dr. Tory helped to plan and fashion, and over which he presided.

It is not without great significance that the final phase of his career was spent in Canada's capital city. Wherever he went there seemed to spring up and flourish new institutions which we today regard as indispensable units in our national existence. His years in Ottawa were no exception; Carleton University and the National Research Council stand, at the focus of his country's federal life, as monuments to the stupendous and creative vitality of this man.

Of the value in another context of Dr. Tory's contribution to education in general and to science in particular, I intend to speak more fully. Before doing so, however, I am bound to conclude my personal tribute to him by saying that his benefits for Canada are lasting ones; they will be appreciated and valued by generations of Canadians, even though they may not always be aware of the giver of the great

legacy which they will be inheriting. It is, therefore, with a deep sense of humility and of gratitude that I accept the honour of giving the third of the Henry Marshall Tory lectures and of paying my tribute of respect and affection for a great citizen and, I declare proudly, a distinguished son of Nova Scotia.

It would be difficult to speak of any aspect of the intellectual, scientific or cultural life of Canada which has not been shaped or enriched by the life and work of Henry Marshall Tory. I am well aware that in speaking to you on certain matters relevant to the national life and the international relations of Canada that I shall be dealing with subjects which were far from alien to the catholic scope and the penetrating calibre of Dr. Tory's mind. A scientist by inclination, by training and by profession, he was, however, no laboratory recluse who found the measure of all things in the test tube and the galvanometer. In him were combined the intellectual integrity demanded of the scientist, together with the imagination, tolerance and ideals of the humanist. His life, his work and his outlook were integrated with the times in which he lived. Indeed, in many respects, his career represents in considerable degree a cross-section of this century's most potent trends of thought. As Dr. Johnson said of Shakespeare, "He had a comprehensive mind", and it is, therefore, not surprising that Henry Marshall Tory was concerned with, and exercised an influence upon, some of the forces which have fashioned the world as we know it, as this, the anxious decade of the nineteen fifties, draws to a close.

Science and research were the points of departure for his career, and in his leadership of the National Research Council, there was an implicit recognition of the extent to which scientific endeavours have become an intimate part of our lives as individuals and as a nation. The establishment and early years of operation of the Council under Dr. Tory's wise and careful guidance represent, too, the concern of government for, and inevitable involvement in, the affairs of science.

In more specific terms, I think that there is something almost symbolic in the close relationship, both personal and professional, which Dr. Tory enjoyed with Ernest Rutherford, later Lord Rutherford, whose work in atomic physics has become the basis for many of our hopes and many of our anxieties. In brief, Dr. Tory's career represents to me a demonstration of the extent to which science moulds our daily lives and bears upon current social, political and, indeed, international affairs.

It is tempting to affirm dogmatically that ours is the age of science, until one recalls the dangers which sophisticated historians see in the over-simplified distortion which occurs when the constant ebb and flow of human affairs

are too glibly and too neatly compartmentalized. The inaccuracies of historical designation and interpretation notwithstanding, it is indisputable that science, at least in its assumptions and conclusions, if not in the details of its equations, reaches into and permeates our lives to a degree that pure reason never achieved in the 18th century, any more than the restless spirit of discovery inspired whole populations in the age of the first Elizabeth. In harmony with the social changes which have transformed our thinking since the ages to which I have referred, the spirit of our own era is a more broadly based one reflecting more accurately the consciousness, the concerns and the outlook of the majority of the people.

As seen in terms of our daily lives, the mass impact of science has given us a standard of living which would have been almost inconceivable not so many years ago, and which shows every sign of improving year by year. At the governmental level, however, it is not so easy to take such a melioristic or modified Leibnizian view of the possibilities which have been opened up by science. On the one hand, technological advances have made it possible for governments to undertake national development programmes which, fifty years ago, would have been dismissed as fantastic. Parenthetically, I might observe that one of the most remarkable concomitants of the rapid scientific advances over the past century has been in the speed with which the fantasies of one era have passed into the commonplace realities of a subsequent generation. Jules Verne, except in his most fanciful moments, is really old straw today, and what is more astonishing, Buck Rogers is fast becoming so, with every new press despatch datelined Cape Canaveral.

My reference to a launching site is not inadvertent; it is intended to illustrate the other side of the metaphorical coin that I referred to in observing that the development of science and the increasing involvement of government in scientific matters does not present a prospect which is entirely optimistic. It is tragically symptomatic of the paradoxical conditions to which we are becoming numbly accustomed that the first fruits of man's scientific achievements in the nuclear sphere should have been used for the obliteration of two populous cities. The orderly disorder of the natural world, which man at last, in large measure, has been able to apprehend, appears to have no counterpart in man's conduct of his international responsibilities. Indeed, it would be hardly exaggeration to declare that our enormous strides forward in scientific ventures and in technical skills have been more or less by-products of the progressively destructive savagery of nations and of national groups, one against another. The conquest of the air, greatly accelerated by the First World War, has been accompanied by the almost unbelievable achievements in technology in the two decades since the beginning of World War II. In consequence of forced-draft technology and following that example of man's chaotic conduct of his

international relations, a beginning has been made in the conquest of space, and an end has been put to the relatively harmless weapons which man hitherto has used, whether for conquest or defence. Indeed, there is now a small minority of scientists who envisage some possibility that man's inventive genius, whether wittingly or not, may find it possible to release, by some unforeseen and appalling design and device, the limitless power of the hydrogen of the great seas, a release which some anticipate might involve cataclysmic changes in this planet, and perhaps even in other planets which share our solar system. This final catastrophe was curiously foreseen a little more than two thousand years ago by the Roman poet and philosopher, Lucretius, who toward the end of his long poem, "On the Nature of Things", after the exposition of his thesis on the atomic structure of the universe and of all that it contains, referred with gloomy foreboding to the possible dissolution of our world. He wrote as follows, about sixty or sixty-five years before Christ:

".... nor are atoms wanting which could by accident gather together out of infinity and overwhelm this sum of things in ungovernable tempest, or bring upon us through their blows some other frightful disaster; nor is the nature of space and the depth of infinity lacking into which the walls of this world might be dispersed."

The ungovernable tempest, adumbrated in Lucretius' speculations is now, we are assured, a possibility. The storm of human annihilation could be unleashed by accident or through oversight. More tragically, however, the ungovernable tempest could be let loose by governments. Never has the power of governments been so literally overwhelming, and in this nuclear age it is sometimes difficult to discern the dividing line between scientific procedure and high policy. I cite in this context the recent conference of scientists which was held in Geneva to determine whether an effective system for the detection of nuclear tests could be devised. The fact that more constructive results flowed from this conference than from many of the more recent political conclaves has led many persons to speculate on the possibility of substituting for the traditional formal attire of the diplomat, the white "lab" coat of the scientist. Whatever might be the objections to such a sartorial transformation, there can be no doubt that nuclear science has become and will probably remain a first principle, in fact, almost a postulate, in the formulation of foreign policy. Diplomacy was once considered an art. Today, in the task of the peacemaker, as never before in history, are blended both art and science and from these ingredients, there can be envisaged the formation of a new compound foreign policy, a new political fusion of forces in the international crucible.

If the amazing development of science over the past fifty years has had the effect of widening the horizons of diplomacy and revolutionizing the scope of the peacemakers' endeavours, so too the impact of increased educational opportunity has been felt in the formulation of foreign policy. In the context of this Henry Marshall Tory memorial lecture, I believe that it is not inappropriate that some attention be devoted to this second inter-relationship. As science and education were intimately associated in the mind and career of Dr. Tory, so too are these - shall I call them factors? trends? of modern thought - so too are they fundamental to the revolution which has taken place in diplomacy. The fact that a distinguished scientist and an inspired educator was also one of the foremost proponents of the League of Nations Society in Canada, serving in his long association with it as President for a five-year term was, I am convinced neither the result of accident nor the indulgence of a dilettantish attraction to the glamour with which the practice of foreign policy has all too erroneously become invested in the popular view. This peripheral, perhaps, but nonetheless important facet of Dr. Tory's career denotes, I suggest, an awareness on his part of the dangerous directions in which events were moving - of the frightening fissions of divisive forces, both political and scientific, which had either occurred or were in a menacing embryonic state. It also represents a groping on the part of a man of great intelligence and abiding goodwill whose career, I repeat, was symbolic of his times, towards solutions to, remedies for, and safeguards against what might have been apprehended as inexorable disaster.

If, in the widespread effects of increased educational opportunity are to be found certain elements of the solution to some of these problems, so at the same time has the acquisition of higher education on the part of more and more of our people had an effect in revolutionizing the scope of diplomacy. I hesitate to use the phrase, mass education, for in speaking of education, it is not a population's minimum level of intelligence, good taste and cultivated attitudes which I have in mind. A little knowledge is indeed a dangerous thing, and mass pressure and reasoned influence are two different things under a democratic form of government. It is rather in terms of what I have called reasoned influence that I see the greatest effect of the broadening popular base of education, on the formulation of foreign policy. That the universities have a role to play in this regard is self-evident. To this audience, I need scarcely issue a warning against a world order based on prejudice, ignorance, half-truths or mass mis-information. Throughout the centuries of Western civilization, the universities have stood as citadels of independent thought, and thereby under-girded those standards which shape the actions of individuals and nations.

One of the main effects of a system of education which is more broadly based than ever before in history is the sense of involvement in a widening world which it imparts to those who benefit from it. If the purpose of education is to broaden as well as deepen the circle of one's experience, it is inevitable that as forces and factors which were once remote become understood by more and more people, there will be a correspondingly increased popular sense of positive intellectual participation in the world of events.

Having made these observations, let me return to the second motif in the theme which I have been developing of the impact of science and education on foreign affairs. As a result of the development of a broad and deep educational system and philosophy, and as a result of the relative ease with which the enquiring mind can obtain information, public opinion is becoming better informed about the conduct of foreign affairs and ordinary citizens are becoming more aware of their own role in external relations. In a world that has become very small by improved means of transportation and communication, giving events in Djakarta, Karachi and Budapest a new sense of immediacy, it would be almost impossible for the man in the street to avoid feeling involved at least to some degree. As a result, the diplomatic exchanges across the green baize conference table can become in a matter of hours a subject of conversation at countless dinner tables throughout the world.

The development of a better informed and more articulate public opinion is a factor which any democratic government can ignore only at its peril. In a democratic society no government can venture to propose or to put into effect foreign policies which are unlikely to receive the support of the great majority of its citizens, or which may destroy the essential unity of a nation. The early governments of Western Europe did not suffer from this disability. Since the Eighteenth and indeed throughout a large part of the Nineteenth Century, decisions concerning war and peace were not considered to be matters with which the people as a whole, the great majority of them illiterate, had any concern whatsoever.

Today, the democratic governments of the Western world could not afford to adopt such a haughty indifference to the wishes of their people and, indeed, by their very nature, would have neither desire nor reason to do so. What I have termed reasoned influence plays, I emphasize, a powerful part in the formation of a government's foreign policy. In certain respects, this more immediate sensitivity to the wishes of an electorate places us at a disadvantage in the world of today because our adversaries apparently suffer from less restraint of this character upon their policies or practices. I wonder whether there is not an interesting parallel to be drawn, in so far as public opinion and foreign policy are concerned

between the contemporary authoritarian world, and the by-gone age which I have mentioned when international affairs were regarded as one of the mysteries not to be revealed except to a chosen few who, in turn, were more than content to exercise their priestly functions in the confident knowledge that their decisions, even if disastrous, would be ratified, supported or ruthlessly enforced. For the nations of the West at least, this day has long since disappeared, and our foreign policies have come to reflect more faithfully the character and wishes of a nation's people instead of only the aspirations and designs of its governors. I might add in passing, however, that I suspect that a similar process may be beginning in Eastern Europe.

In making these generalized statements, I have perhaps implied that the relationship between public opinion and foreign policy is more perfect than is actually the case. We in Canada, just as citizens in other Western democracies, have a long way to go before a public, well-informed and fully conscious of its responsibilities, is competent to make wise collective judgements in vexed and complex matters, which nonetheless have the gravest consequences upon a people's well-being, or even upon their chances of survival. I understand, for example, that not long ago, a popular poll revealed that about ninety per cent of Canadian citizens of voting age supported NATO, but that only about six per cent had a reasonably clear idea of what NATO is, and of its functions. The same is probably true of Canadian public opinion regarding the United Nations. I offer another example: at the time of the Hungarian tragedy two years ago, there was widespread though ill-informed indignation that the United Nations did nothing whatsoever to prevent the re-enslavement of the Hungarian people, following their heroic rising against injustice and tyranny. It seemed to come as a surprise to many people that the United Nations has no forces whatsoever at its disposal, and that its majority decisions have, in practice, no sanction, apart from the intangible weight of world opinion, or apart from the responsibility which the great powers are disposed to assume in making effective the decisions of the United Nations.

Nonetheless, in spite of such popular misconceptions, and despite the lingering indifference to international affairs which they reflect, there has been in recent years a vast change for the better in the general acceptance by the Canadian people of the fact that a nation such as Canada must assume the grave responsibilities which invariably accompany the possession of wealth and strength. Since 1939, Canada and the Canadian people have assumed and have discharged the gravest of duties. It seems probable that our obligations in the future will be at least no less demanding, and will require for their proper conduct the full support of a well-informed and united people.

It is remarkable and grimly paradoxical to reflect that in the past century the burgeoning of science and the advancement of education - both of which attempt to discover and organize knowledge of man's physical environment and to discipline the human intellect and spirit - should have had as a concomitant a steadily increasing degree of disruption, disorganization, destruction and distrust in the conduct of international relations. The by-products of science and education have injected strong new catalysts into the formation of foreign policy. The knowledge and power - one is reminded of Bacon's dictum that "Knowledge is power" - that science has made available to governments as an instrument of policy have transformed the climate in which the relations between nation states are conducted. Similarly, large and new segments of enlightened public opinion capable of responsible and independent judgment, as I have observed, have made it mandatory for governments, where no such need was felt in earlier times, to tailor policies more closely to a democratic social and political pattern. The anxious uncertainties and indeed the chaos in the contemporary world order represent in my view the failure of national governments to come to grips in an adequate fashion with the problems created by these fundamental changes. The traditional techniques of diplomacy are proving inadequate to meet the challenges facing us, and as the climate of international relations has been fundamentally altered, so too have the techniques of diplomacy undergone change. It is on some of these changes, as they affect the current shaping and execution of Canadian foreign policy that I now desire to comment.

At the risk of dwelling on the familiar and the commonplace, may I remind you of certain purposes and practices in the conduct of a nation's international affairs - purposes and practices which until our own time have not appreciably changed in their essential nature over the course of the last two centuries. In general, and in brief, the purposes of diplomacy have been to ensure the nation's security, to enlarge its commerce and hence its wealth, to enhance its prestige in a wide variety of cultural affairs, to protect the interests of its own nationals in foreign countries and, in short, in the words of the fine old drinking song "to keep foes out and let friends in". To achieve these ends, elaborate channels of diplomatic communication and rigid rules of protocol were devised. When these failed, a war may have resulted. Such conflicts were, by our standards, limited and perhaps inconsequential in nature and in area, but with the passing of time, they have become progressively more extensive and dangerous, and it is as a result of this succession of breakdowns that the peacemakers have been forced to devise more adequate procedures. Imperfect though some of these techniques may be, they can be counted as steps in the right direction and although any one of them in isolation is doubtless inadequate for the enormous tasks confronting us, I do believe that progress has been made.

But let me first assure you that such progress has been halting, hesitant and fraught with difficulties. Indeed, as the process of revising our methods continues, it would seem that the difficulties to be overcome only proliferate. Let me cite only the example of terminology. The diplomatists' task is difficult enough when governments disagree over policy, but when the same governments disagree in their semantics, the task of negotiation sometimes tends to assume the nightmarish proportions of Orwellian double-think. Upon words and ideas which we had thought were long familiar to us and which for centuries had been used for what we supposed to be a fairly precise means of communication between man and man or nation and nation have been super-imposed, novel and not infrequently contradictory meanings. "Liberty", which throughout Western history has hitherto denoted something reasonably pointed and clear, now seems to have acquired a variety of new connotations, including the liberty of citizens to do promptly and exactly what they are told to do, and the liberty of writers, artists and scientists to write or to compose or to discover whatever may be required of them. Nations which venture to ally themselves together for protection against the perils of unannounced and unprovoked assault have somehow come to be described as bloodthirsty imperialists. It is indeed a confusing world in which we live; and it is often against this incomprehensible background of semantic confusion that we must now attempt to construct, in an atmosphere of mistrust, the foundations of a new world order. Confronted with difficulties of this nature, the tasks of the peacemaker have become progressively more difficult. We do not forget that the peoples of authoritarian states prefer a more democratic system; and there is no doubt that the Russian people in 1917 desired a more liberal dispensation than they were vouchsafed by destiny. It is encouraging to know that authoritarian régimes must retain the language of democracy, in order to appeal to the inherited predispositions of their people, but this knowledge is of relatively little immediate help to the negotiator.

At the time of the First World War, Sir Edward Grey, then Foreign Secretary of the United Kingdom, remarked that "in time of war the first casualty is always the truth". To up-date this wise observation, to give it a more contemporary relevance, it could be claimed that in the period of cold war and constant tension and gnawing anxiety which have prevailed since 1946, the most significant casualty has been the clear and considered use of language as a means of reaching understanding and agreement.

These semantic difficulties reflect - and I am not sure whether they do not contribute substantially to - the increasingly rigid positions taken by the two contending power groups at the present time. Backed by the threat on either side of unlimited and catastrophic force, the resulting

division constitutes a new and terrifying, and sometimes seemingly impossible, chasm for traditional diplomatic procedures to bridge. This difficulty with which diplomacy is now faced has been well expressed at the beginning of chapter seven of Henry Kissinger's "Nuclear Weapons and Foreign Policy" published in 1957, which has stimulated a great deal of new thinking, and has, therefore, and naturally, aroused also a great deal of controversy. Mr. Kissinger writes:

"It may seem like a paradox to ask diplomacy that it rescue mankind from the horrors of a thermonuclear holocaust by devising a framework of war limitation. How can there be an agreement on the limitation of war when all negotiations with the Kremlin have proved that the two sides have rarely been able to agree even on what constitutes a reasonable demand?"

A little later in his book, Mr. Kissinger points out that no state is prepared to negotiate about its own survival, and that no nation is prepared to abandon safeguards which it considers essential to its own survival, merely for the sake of maintaining an uneasy harmony in international affairs.

To quote further from another of my principal authorities (I am now, of course, referring to a statement I myself made during the disarmament debate at the United Nations a year ago):

".... our debate in this Assembly is not merely about disarmament, but about human survival. We have yet to prove that we are capable of the radical adjustment in our thinking which the modern age demands. We are still using the outworn vocabulary of international rivalry in the age of intercontinental missiles and the beginning of venture into outer space."

I have attempted to illustrate the sweeping changes which have taken place in the climate which colours contemporary international relations. I have also mentioned the fact that these changes, because they affect the assumptions on which a foreign policy is based, have necessitated some far-reaching revisions in the classical conceptions of diplomatic procedure. Nowhere are these specific changes more evident than in the position and functions of ambassadors, the professional practitioners of the diplomatic craft.

In the halcyon days of diplomacy, before the advent of the vast changes which I have described, an Ambassador abroad was entrusted with what seems to us now an extraordinary freedom of action and power of negotiation. His reports or requests for instructions to his Foreign Office at home were thoughtfully drafted and beautifully written in the sure knowledge that he would receive no reply, if he ever did get one, for many weeks to come. Nowadays, of course, this has

all changed. A communication drafted in the East Block at Ottawa at lunch time can, with relative ease, be presented to the State Department in Washington later in that same afternoon. A careless remark or a provocative speech in any capital can be distributed throughout the world at the speed of light. Whereas in the life of the Nineteenth Century diplomatists there was time for sober second thoughts and alternative solutions, there is now little or no impediment to the rapid interchange of international courtesies and discourtesies. Improved means of communication have drawn the frontiers of diplomatic negotiation closer to the metropolitan centres of decision, and as a result the sphere of independent authority of a diplomatic representative, as well as his scope for initiative have been drastically limited.

But increased networks of communication have facilitated not only the transmission of words; accelerated means of transportation have enabled foreign ministers and foreign secretaries to move about and around the globe at short notice for direct and personal conversations with their counterparts elsewhere in the world. That these innovations have their advantages I would be the first to admit. I am convinced that in many instances a person to person encounter is worth an entire archive of elegantly phrased messages. At the same time there can be no doubt that in diplomacy, speed is not an unmixed blessing and in this sphere more than almost in any other, precipitant action without careful thought, appraisal and re-appraisal, whether agonizing or not, must be avoided. The spirit of calm, unfortunately, is rapidly disappearing from diplomacy, if it has not already vanished entirely. Thanks to rapid telegraphic communication, lights burn late in foreign office around the world as Mr. Khrushchev's cocktail comments are decyphered and interpreted for the post-breakfast edification of higher officials and ministers. On-the-spot negotiations are, nowadays, frequently conducted through the medium of simultaneous translation which, while undoubtedly accelerating the rate at which comments can be exchanged, also imposes a kind of psychological obligation on the negotiator to reply without delay. It is therefore little wonder that negotiators in self-defence sometimes come to the conference table with rigidly fixed positions which they enunciate under conditions of simultaneous provocation. The aircraft too makes possible for a Foreign Minister in a week an itinerary which would have dumbfounded the participants in the glittering Congress of Vienna; it also seriously curtails his meditative and contemplative functions. He is too frequently up in the air and moving from personal encounter to personal encounter to get his feet under his desk for sufficiently long and undisturbed periods to devote to policy decisions the calm and deliberate thought which they require. Improved means of communication and transportation - and I return to an earlier

theme to remind you that the two are by-products of science - have imparted to diplomacy a hectic air and a sense of urgency which sometimes make it difficult for the diplomatist to play the role which has, traditionally been his.

There are, however, today, as compared with the Nineteenth and early Twentieth Century, more important changes in the conduct of a nation's international relations than in the role assigned to its diplomatic representatives, be they third secretaries, ambassadors or foreign ministers. Just as the ambassadors of an earlier period possessed a much greater freedom of action than they now have, so too it seems to me that the individual states which they represented practised a diplomacy which was much more independent of other nations. There have been, of course, throughout history, numerous alliances frequently changing in composition since most states were vitally interested in making sure that if war could not be avoided, they could at least manage to emerge on the side of the winning international grouping. But such groupings were a far different expression of a nation's foreign policy than the type of alliance which has been emerging in more recent years. There is nothing in history to compare with the present North Atlantic Treaty Organization by which fifteen states have agreed in large measure to pool their military resources and to regard an assault on any one of them as an assault on them all.

In short, what has been happening is simply this: national governments faced with international problems of new and dangerous dimensions have recognized the need for, and they have developed channels of, consultation and co-operation which, had they been proposed a century or even a half century ago would have been regarded as an intolerable infringement upon the almost sacred principle of sovereignty. We have come, perhaps too slowly, to the conclusion that given the facts of our new international life, the decisions which we as nations are called upon to make cannot be made by one man as the ambassadors of an earlier era might have done, or even by one government within whose power, however, responsibility for these decisions still resides. The day may not be too far distant when we shall be ready to transfer much or all of this responsibility to supra-national authorities. I pass over this idea without comment and interject it here only as a possibility, the advantages and disadvantages of which must be carefully weighed as future circumstances may require. In the meantime, however, there has been on the part of national governments a willingness and indeed an eager readiness to discuss and co-ordinate with friendly powers, measures of foreign policy on problems of common interest and concern. This phenomenon, new in the degree of intimacy of exchange, I have designated as fusion in the title of these lectures. In it the peacemaker must find the most effective counterpoise to the fissions, both atomic and political, which have so disturbed the world order of the independent and isolated nation-state.

NATO is one of the best examples of coalescence in foreign policy. I imagine that many Canadians, remembering well the essentially isolationist attitude of Canada throughout the nineteen thirties, are still somewhat astonished, and I think some of them may well be perturbed, that Canada, along with its allies, has undertaken to defend with force the independence, let us say, of Greece and of Turkey. Canada, together with its allies in NATO, through bitter experience, has come to realize that safety cannot be assured by a policy of non-commitment. Through the understanding among NATO's members that consultation among them should precede any action by one of them which is likely to affect seriously the circumstances of the others, it is clear that Canada has undoubtedly given up some measure of its complete freedom of action in international affairs as the price to be paid to ensure a greater measure of security.

Similarly, our commitments to the United Nations require, among other things, that we abandon force as an instrument of national policies and in a sense oblige us, if ever this should become possible in actual practice, to provide armed forces to assert and to enforce the authority of the United Nations against an aggressor. In accepting these obligations, we have showed our willingness to abandon a further measure of complete independence in international affairs to ensure a collective security, rather than to rely entirely upon our own resources which, we realize, are entirely inadequate for our defence in this period. We in Canada have gone through a remarkable revolution in our attitude toward international relations generally in the course of only about twenty years.

I have been discussing the principal difference between the present day and the traditional conduct of a nation's foreign policy and I have mentioned our participation in the work of NATO and the United Nations to illustrate my thesis that in the earlier diplomatic world a nation such as Canada was much more at liberty to go its own way than could now possibly be the case. There are, however, other special relationships for Canada which have come to exercise an important influence on our foreign relations, and while these influences could not accurately be described as restraints or limitations, they are nonetheless significant ingredients in the amalgam of Canadian foreign policy in a world grown too small for independent action or, at least, action which is initiated without due thought being given to any more than the most immediate national consequences.

In developing Canadian foreign policy, the Commonwealth, for example, provides the most effective and most amicable means of communication between the Western world, Southeast Asia and Africa. In this context it is well that we should remind ourselves that the white,



English-speaking members of the Commonwealth are now in a very small minority among the association's total membership. From our fellow Commonwealth members we may, and frequently do, differ as only a cursory glance over the record of a vote on almost any issue at the United Nations will show. But while we may differ on specific issues, there are certain underlying questions on which we are not divided and this basic agreement on ideals and purposes constitutes the cement of Commonwealth relationships. The fact that these relationships are ill-defined in no way reduces their effectiveness and, indeed, a case could be made out to prove that the lack of a formal constitution and common institutions really strengthens the Commonwealth as an effective means of communicating with other nations, whether within or outside the Commonwealth, nations whose views and policies we must take into account, as they must ours, in a realistic approach to the problems of the international community in which we live.

Thus far I have concentrated attention on the factors and forces from overseas which exert a modifying effect on any tendencies we may have shown in earlier decades towards a foreign policy of freedom of action, with no commitments and no involvements. Let us now look at the continent of North America. Whether some of us like it or not, it is inevitable and inescapable that one of the strongest single influences upon our international action stems from the presence of our neighbour, the United States. By reason of the obvious facts of geography, of economic inter-dependence and of social and cultural parallels, there must emerge the clear conclusion that as far as can be seen at the present time, it would be difficult to conceive of a Canadian foreign policy which on any vital point of issue would be violently opposed to that of the United States. As in our relationship with Commonwealth nations we may differ but for the sake of the United States no less than for our own, and for the sake of the rest of the world, it is ardently hoped that the United States and Canada will never be hostile to one another. Our differences, of course, do not in any way prejudice our right and indeed our obligation to influence, to persuade or even to protest, whether publicly or in the quiet of diplomatic discussions, any action of the United States which would affect any vital Canadian interest, or endanger world peace.

From all of these factors - our relationships with NATO, the United Nations, the Commonwealth and the United States - our foreign policy has been compounded. We have come a long way from the days in which Canada longed for the isolationist haven of no commitments and no involvements, the days in which we had, in fact, no foreign policy at all. The same sort of transformation, I maintain, has been wrought in the international orientations of the nations of the

Western world. From the era of free-wheeling independence in foreign policy we have recognized the need for and moved towards a greater degree of inter-dependence. A fusion has taken place, making foreign policy a more comprehensive undertaking. Watching this phenomenon, however, the haunting question cannot but come to our minds: Has the fusion been sufficiently great or adequate in nature to counterbalance the fissions which have revolutionized the international community? If the answer could be in the negative, let me remind you of some of the difficulties which democratic governments face in effecting a transformation of this order.

The inherent slowness of democratic government to act is at once their strength in domestic affairs where swift and precipitant action is often arbitrary and unjust, and their weakness in international relations, where speed of decision is coming more and more, as a matter of survival, to be an imperative requirement. The combined resources of the Western world are indeed vast; but we have now seen on three desperately perilous occasions, in 1914, in 1939 and in December of 1941, following Pearl Harbour, how agonizingly long a time is needed for their mobilization and deployment. And when we had finished with the Kaiser and his General Staff, and when we had destroyed Hitler's fascist formations, how eager we were to believe that the world was now safe, and that sensible men could now go about their reasonable tasks; and how readily and how speedily we disbanded our armies, and scrapped our armaments. When confronted with the urgent threat or the even more urgent reality of war, the democracies, given time, have proven themselves invincible; but with the coming of peace, which as a reasonable and sanguine people we trust will be permanent or of long duration, we are constitutionally incapable of perpetuating our enmities, or of remaining armed to the teeth when no enemy is immediately in view. When confronted with an imminent peril, our governments are prepared to impose and our peoples are ready to accept, almost any diminution of traditional liberties, and almost any device of the totalitarian states, and these devices, it has been our experience, we can apply more effectively than they; but only if we have the time to do it.

Democracy's apparently built-in inertia is, however, in so far as decisive diplomatic action is concerned, a problem which has its roots deep in our own political and cultural heritage. There are for us, certain cherished values and ideals which we are not prepared to sacrifice - we may suspend their applicability in times of crisis but we cannot approve their permanent submergence - simply to facilitate an accelerated diplomatic reaction time.

There is another difficulty - the over-riding need for constant and vigorous re-thinking of our international position, the need for new ideas, new insights and new interpretations. I might observe here that this is a traditional requirement for the diplomat, but in the light of the impact on foreign policy of ever-widening educational opportunities and the emergence of better-informed public opinion, it has come to acquire a special importance for the peacemakers of the contemporary world.

I have attempted to outline some of the complexities and the variety of considerations which must be fused into policies and courses of action by democratic governments. Preceding policy decisions, however, is the need to develop an informed and accurate collective view of the nature of the problem or challenge which confronts the West. This involves a continuing diplomatic assignment and imposes the obligation to keep our assessment of the problem realistic, up-to-date and fresh. This is not, I reiterate, a new task; it is the one aspect of diplomacy which has altered perhaps least throughout the period of sweeping changes that I have been discussing. What is new, however, is its complexity and its urgency in an international scene where power is no longer diffused and balanced among groups of nations but has become, in effect, polarized in new titanic contenders, one of which is, of course, the Soviet bloc. The task of accurate assessment becomes more difficult where a group of nations such as the members of NATO are confronted by the enigmatic problems posed by the Soviet bloc, where the cultural gap between the different societies to which the power polarization corresponds has made it difficult to know and to understand one another, and where this latter difficulty, serious in itself, has been compounded by the deliberate isolationism which has surrounded the development of Soviet society.

It is with this lack of basic understanding and the difficulties in making accurate assessments of Soviet intentions, whether political, military, or commercial, as they affect the policy of the West in seeking an accommodation with the Soviet Union, that I intend to deal in my second and concluding lecture tomorrow evening.



STATEMENTS AND SPEECHES

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PEACEMAKING: FISSION AND FUSION

Second lecture in the Henry Marshall Tory Lectures
Delivered by Mr. Sidney E. Smith, Secretary of State
for External Affairs, University of Alberta,
Edmonton, Alberta, October 29, 1958.

Since this evening I shall be speaking to a much larger audience (I should like to believe that it is not an entirely new one) than that which I had the pleasure of addressing yesterday, it would perhaps be appropriate for me to reiterate my appreciation of the honour which has been done me by the Friends of the University of Alberta in inviting me to deliver these lectures established in the memory of a great Canadian scholar, Henry Marshall Tory, whose contributions and achievements have left a permanent mark on the national life of this country. In the major concerns of Henry Marshall Tory's career - education and science - can be apprehended two of the most important forces or trends in modern thought, trends which have had a revolutionizing effect upon human life, and while I may be guilty of attempting to universalize my own immediate concerns, I nevertheless maintain that in few other spheres of human endeavour has the impact of science and education been more acutely felt than in the conduct of foreign policy.

Science and technology have brought what were once thought of as the remote four corners of the world closer together so that the contacts and, therefore, the points of friction between nations have become more numerous and more heated. More important, however are the most recent and dramatic developments of science. Man's pioneering advances into outer space are inspiring, or should inspire in our endeavours a sense of cosmic humility for it is becoming more and more evident that all of us who live on this planet enjoy, as it has been gracefully expressed "a very undistinguished location in a faint spiral arm of an ordinary galaxy". This realization might have a salutary effect on our view of ourselves as individuals, as nations and as members of the international community if it were not so closely related to those

less constructive influences which the fruits of science and technology have brought to bear more directly on our international rather than our inter-planetary relations. Science has placed in the hands of national governments sufficient power to destroy not only their adversaries, but themselves, and perhaps the totality of human life. Confronted with this terrifying possibility, the task of the peacemaker has become the more difficult and the more urgent.

I also referred last evening to the effects which increased educational opportunity in our society has had upon the conduct of international relations in our time. Where foreign policy was once regarded as the private preserve of an initiated élite, it has now become just as much a part of the life of the man in the street as any other aspect of his government's policies. Education and the relative ease with which the enquiring mind can obtain accurate information on which to base his own judgments have given to the private citizen a sense of involvement in international affairs which, in its bearing on government action in a democratic society, is really quite new in the Western political experience. As I indicated last evening in this context, it is, however, reasoned influence rather than mass pressure to which I refer.

With forces of this magnitude coming to plan upon the scene in which the work of the diplomat is carried out, it is inevitable that some changes will have been wrought in the techniques and procedures of diplomacy and with this in mind I sketched some of the changes which have, for example, come about in the role of diplomatic representatives. I also referred to the difficulties which are encountered by negotiators by reason of the fact that the change in the climate of diplomatic relations has been accompanied by a deterioration in the precision of language so that in some quarters words now mean the revers of what they pretend.

Out of the state of flux in which diplomacy has found itself in recent years, there has been emerging what I designated as the phenomenon of fusion - and I use the word in a political rather than in a scientific sense. In the altered circumstances in which we find ourselves, I attempted to point out that the pursuit of independent ends and objectives by nation states was no longer an adequate modus operandi because no one nation can, in and of itself provide an adequate response to these new international challenges. As a result there has developed a remarkable degree of co-ordination and co-operation among certain groups of nations and as an example I spoke of the work of NATO, an organization which has an important influence on the formulation of Canadian policy. Other influences I mentioned in the same context were our membership in the Commonwealth, our membership in the United Nations and our friendship with the United

States. From each and all of these we must derive encouragement, help and guidance; to each and all of them we have perhaps something unique to offer. Peacemaking in the age of fission and fusion has become indeed a complex and comprehensive undertaking.

In concluding my first lecture last evening, I pointed to some of the difficulties which governments experience or encounter in dealing with international problems of contemporary magnitude. While the wars of an earlier day were slow in getting started and relatively limited in character, it is all too clear, from contemporary forecasts of any future war, that such a war could be instantaneously devastating. In view of such a strategic assessment, the need for swift and decisive action is only too painfully evident and this, for democratic governments which are apparently slower moving, though in the long run no less effective than authoritarian ones, presents great difficulties.

A moment ago I used the phrase 'strategic assessment'. There is also the problem of political assessment which must precede strategy. I spoke of the necessity and indeed the obligation of the traditional diplomatic assignment of keeping our assessment of the international problems confronting us up to date, realistic and fresh. It is this idea which I desire to explore further in this lecture, and to describe in greater detail the international situation that confronts us at present and to make some suggestions about the way in which it might be approached.

To understand that situation, it is necessary to look back, however briefly, over the course of international affairs since the end of the war. While the countries of the West were demobilizing the large forces which they had mustered for the prosecution of the war, the Soviet Union maintained its forces almost intact, and used them as a means for fastening Soviet control on the countries of Eastern Europe, and for threatening the security of other countries around the perimeter of the Communist empire. The USSR also attempted to foment unrest in Western Europe and it made a determined effort to cut the communication links with Berlin. All these acts heightened mistrust of Soviet intentions and caused widespread apprehension. This was raised to fever pitch by the coup which extinguished the independence of Czechoslovakia.

The response of Western countries to all these provocations by which they felt themselves threatened was the formation of the North Atlantic alliance. The purpose of the alliance was to protect the member-countries from Soviet attack and to provide a shield behind which they could work out their own political and economic destinies. However, the forces at the disposal of the North Atlantic alliance in Europe would not have been so effective as they were in deterring Soviet attacks

had they not been supported by the even greater deterrent force represented by the nuclear weapons available to the United States Air Force. It was the nuclear superiority that clearly rested with the United States in the years immediately after the war that, more than any other factor, set limits to Soviet ambitions and Soviet pressure.

As we all know, however, the era of nuclear superiority was of very brief duration. The Soviet Union exploded an atomic bomb in 1949 and followed that success with the successful testing of a hydrogen bomb in 1953. The relative nuclear capabilities of the United States and the Soviet Union cannot be assessed exactly. But there can be no doubt that while the United States assuredly had the power to inflict a devastating nuclear attack on the Soviet Union, the Soviet Union for its part would also be able to launch an attack on North America which could wipe out a number of our largest cities. In these circumstances, the notion of nuclear superiority would seem to have lost most of its meaning. Instead, we would seem to have entered an era of virtual nuclear stalemate.

In general, the most urgent objective of the West during the past decade has been to provide the defensive strength and political unity that have been necessary to check the outward thrust of Soviet ambition and Soviet policy. We must still continue to keep that objective rigorously in mind. Any other course might well be suicidal in view of the ambiguous nature of Soviet intentions. But the time has come, it seems to me, when we must try to supplement the policy of containment with a more supple and soberly approach. In a situation so critical and so dangerous that any serious miscalculation might result in a holocaust to destroy not only civilization but the race itself, we cannot rest content with a policy of drawing military lines between the antagonists, necessary though that may be. We must be searching with all the patient skill and clear insight that we can command for solutions which will place a greater margin of safety between humanity and the abyss.

It is my deep conviction that we in the West can move forward in this momentous task only by a scrupulous, energetic and imaginative effort to understand the civilization which has chosen to be antithetical or even antagonistic to much of what we are and what we stand for. The immediate challenge is one of the diplomacy of the West; but in an age of informed and influential public opinion, the ultimate challenge is to our Western educational systems. For it is a fact that the so-called Iron Curtain is culturally a thousand years old, that our educational systems still limit the content of instruction to human experience west of the Elbe, and that our conventional academic disciplines, more particularly in the social sciences, have evolved primarily from a contemplation and analysis of Western society. I am not unmindful of the fact that during the

past ten years or so several of our Canadian universities have developed departments which provide for the specialized study of the humanities of Eastern Europe; but I am very conscious of how much we have yet to do in ensuring that every university graduate acquires at least some inkling of human experience and human thought in Eastern Europe during the last millennium, - to say nothing of the ancient civilizations of Asia and the Far East.

I believe that our intellectual concentration on the Roman West to the exclusion of the Byzantine East lies close to the heart of the present global - indeed, should I now say cosmic? - misunderstanding between the peoples, and so between the governments of East and West. We draw a disparaging contrast between our Western democratic tradition and an Eastern authoritarian tradition; and we forget that we have not been articulate about "democracy" for very long. We forget that all human political experience has not been Western, and Lawrence Durrell has reminded us that to understand modern Greece and Cyprus, we must make reference to the political and social customs of Byzantium. The same is true for an understanding of the U.S.S.R. Academic enquiry into the dynamic and far from simple processes which activate the Soviet body politic has really yet to begin in the West and, in these circumstances, our Western mind tends to fall back on untested assumptions and to interpret a highly complex phenomenon in crude and oversimplified terms.

What has been sadly lacking in the West, it seems to me, has been a realistic appraisal of Soviet intentions. Such an appraisal must be made in the light of our knowledge not only of Marxist theory but also of Soviet experience and Soviet action. It must also take into account the basic truth that however different the operations of the Soviet political and social system are from those to which we are accustomed, they nevertheless obey many of the same laws that regulate other human societies.

Our collective political experience in the West has taught us something of the practicalities of foreign policy; especially of how these practicalities affect the more distant aspirations of government. Our collective political experience is nothing more than the common sense of practical politics, and we in NATO and the West enjoy the bulk of the human heritage of articulate thought about this collective experience. It is this heritage that teaches us, among other things, that the intentions of governments are a function of needs, capacities and external factors, most of which lie outside their control; that most

governments are so fully occupied with urgent problems that they can rarely contemplate more distant objectives; that most governments must conduct their foreign policies with reference to immediate questions; and that the ambitions of most governments are limited by the experience of what it takes to achieve and to maintain the status of a great power. It is in the light of such knowledge that our Western mind and our Western conscience freely subject Western policy to devastating analysis. Yet why is it, as an eminent English historian recently asked, that we do not subject Soviet policy to similar examination? Why is it, indeed, that our Western mind tends, on the contrary, to proceed on the pessimistic - and in the light of our knowledge of the practicalities of foreign policy - the remarkable assumption that Soviet policy is at once consistent and successful, and, moreover, is both of these things with reference to a sustained and sinister millennial purpose?

The challenge to our Western mind is then to develop a sensible view of the Soviet achievement and a reasonable assessment of the limits of Soviet ambition as these have been delineated by practical Soviet experience. The challenge is to penetrate beneath the language with which the Soviet Government conducts its external relations, a language which owes its peculiar violence to a unique background and to a peculiar ideology, whose essential poverty seems to be increasingly manifest to the fertile and developing mind of its own people. We must penetrate beneath a sustained attitude of suspicious hostility and mistrust and focus in particular on those decisions which have actually committed blood and treasure to the enterprise in hand. In this way, by shrewd interrogation of the evidence on practicalities, we will be able, I think, to enlarge our understanding of the Soviet challenge to the West. If we are to eliminate misconceptions, we must concentrate neither on the morality nor on the integrity of Soviet conduct, but rather on understanding, for we cannot cope positively with a global antagonist by despising him and sending him to Coventry. What is more, we incur increasing risks if we fail to place a reasonable construction on his probable aims. I therefore suggest that we in the West should re-examine the record of Soviet conduct and ask certain questions of the evidence which, for the most part, we have so far failed to pose.

In the very preliminary and tentative appraisal of Soviet intentions, that I wish to make this evening, I should like to ask you to consider the evidence provided by the use that has been made of Marxist ideology; by the part that has been played by the international communist movement; by Soviet diplomacy; and by Soviet attitudes towards international law.

\\ First of all, I invite you to consider what has been the fate of the Marxist ideology in Soviet Russian hands, and the note that no one in the West has yet attempted a definitive answer to this question. I would suggest that while the basic doctrine has not altered, the assumptions which have underlain the Soviet approach to the West have been subject to considerable erosion. Ever since Lenin and Stalin deduced from Marxism that an attack on the U.S.S.R. was inevitable and switched the focus of official concern to national security, no one has restored the doctrinal primacy of world revolution. Since 1934, no Soviet leader has publicly spoken of the imminence of world revolution, and it was completely ignored in Stalin's last will and testament of 1952. Since 1939, even the achievement of Marxist communism at home has been indefinitely postponed, and Khrushchev has reduced this to the concrete goal of catching up with the West in output per head. When the communist parties of the world met in Moscow a year ago they proclaimed their unity in the cause of peace; and the idea of revolution, illogically confined to the parties of the communist bloc, was merely used to argue the need for party unity and the supremacy in their respective states.

Whereas Stalin left it to the zealous to infer that world revolution would somehow be the consequence of the successful advance of the Soviet Union, Malenkov openly recognized that nothing would survive a nuclear war, and although Khrushchev had to discredit him in order to preserve the rationale of his party, he too has demolished the Leninist prediction of inevitable war by telling his people that they are now secure from attack and by asserting that the notion of capitalist encirclement must be reconsidered. It is only now that Russian thought - several centuries after Western thought - is beginning to be secularized and to be separated from Marxist idolatry. Many intelligent Russians recognize that the only element of the Marxist prophecy which has been realized in the U.S.S.R. is the nationalization of ownership and they themselves have protested against the grosser forms of statism which have developed. More and more they are coming to realize that the pursuit of a Utopia is nothing more than the belief in material progress, a belief which they now consciously share not only with the West, but with all the less developed peoples of the world.

Nor have we in the West yet subjected the Soviet use of the international communist movement to searching analysis. Yet it is surely clear that this movement has long been exploited, not for the extension of communism or Soviet power, but for the immediate purposes of the Soviet state - to combat Fascism, to expose what they call the predatory United States, to break up NATO, to weaken Western influence in the less developed areas, and to promote schemes of partial disarmament that would be in the interest of the Soviet Union.

A movement which, in theory should have been informed with a militant, messianic vision has been reduced in Soviet hands to a protest movement with a protest ideology. The U.S.S.R. has used an increasingly conventional foreign service for critical matters and has been little indebted to the international Communist movement for such diplomatic successes as it has had. The Comintern had outlived its usefulness by twelve years when it was abolished in 1943. Its successor in 1947, the Cominform, was a hasty riposte to the Marshall Plan, and not all of the bloc countries have yet agreed to support an international journal, which even bears in its title the more modest term "socialism" rather than "communism". The Communist parties throughout the world have followed the Communist party in the Soviet Union in regularly thinning their membership; and the Soviet preference for controlling minorities rather than for proselytizing majorities suggests a preoccupation with purposes more immediate than the extension of Soviet influence. Whereas Stalin was vague about the circumstances in which he would commit the Red Army to further revolution in other countries, Khrushchev has gone so far as to seek a rapprochement with Yugoslavia, and by asking the West to recognize the status quo and offering a non-aggression pact, would seem to have formally renounced any obligation to use the Soviet forces to expand communism, at least in Western Europe. If we may suspect that Stalin found the international communist movement of relatively little use, Khrushchev sometimes gives the impression that he might prefer to get rid of it altogether.

Let me turn now to the record of Soviet diplomacy. The official Soviet view of the international situation has been formulated at fifteen party congresses since 1917, and this view has implied one abiding objective for Soviet diplomacy - the security of the Soviet state. The pattern begins in 1920 when Soviet representatives began to serve specific and conventional goals; to postpone the inevitable Western attack, to break out of isolation, and to accelerate national recovery by extending diplomatic and commercial links. By 1929 the Litvinov Protocol had temporarily solved the problem of the Western border by joining the U.S.S.R. and its immediate neighbours in a non-aggression pact. In the '30s the formula was collective security against Fascism. But the diplomatic failure to contain Germany led to a pact with Hitler and to absorption of the Baltic states and much of Poland; i.e. to strategic action to organize the Western border defences which was typical of a desperate regime accustomed to total solutions to crucial problems. If Moscow had hopes of extending its power beyond Germany in the Second World War, these do not seem to have conditioned its strategic thinking. Unless we can believe that Moscow would be pleased by the prospect of a communist

Germany, then we must conclude that since 1941 it has never foreseen any formula other than partition. The U.S.S.R. used the war to attempt a total solution to her Western border which had been vulnerable for ten centuries, and applied a similar formula in the Far East, although it was content to leave Manchuria to the Chinese communists. Since 1945, the U.S.S.R. has steadily tried to secure the removal of Western power from the vicinity of its borders; but it has failed to remove the West from Berlin and from Korea, and it has had to measure the failure of its propaganda campaign of thirteen years to secure the withdrawal of troops from foreign bases by the proportionate multiplication of Western bases around the Soviet periphery.

The successors to Stalin have retained his security objectives but they have been compelled to reduce the costs and dangers of his policy and to try to reduce international tension. While the real thrust of their policy has until recently fallen in Europe, they have lately sought a share in high council on the Middle East and they have sought to secure a respectable global presence for the Soviet state by extending their commercial links. Excessive and unco-ordinated industrialization in the bloc and the gradual sophistication of the thinking of the economists and administrators who must make the Soviet economy work have both tended to sharpen the need for the U.S.S.R. to expand its commercial links with the outside world. Moscow can not have it both ways. It cannot seek to multiply its long-term commercial links with the non-communist world and, at the same time, ensure stability at home and foment chaos and collapse abroad. Under the impact of reality, the official rationalization of trade with the non-communist world has become less and less Marxist, and the party is under pressure to reconcile its formal view of the prospects for Western capitalism with the assumptions underlying the actual policy of the Soviet state. In this respect it is confronted by a mounting dilemma.

The Soviet attitude towards international law must also have implications for the Western assessment of Soviet external ambitions. The U.S.S.R. has never repudiated the principles of international law; indeed during the past twenty years Soviet jurists have unceasingly concentrated on the implications of existing law for the immediate external problems of the Soviet state. The Soviet approach to international law is ultimately shaped by expediency and is increasingly conservative. Its most troublesome characteristic is a pathological obsession with sovereignty and the Soviet insistence on an absolute attitude to this question, which delays international agreement and prevents it from exercising a maximum influence in international organizations, indicates the degree to which the Soviet regime is nervously preoccupied with problems which are defensive and domestic in character. Acceptance of the principles of international law, adherence to the major conventions for the prevention of war, and a steady appeal to the law to indict an antagonist and to justify itself, all these mean that

the U.S.S.R. has multiplied the formal legal obstacles in the paths along which it should be moving according to Marxist doctrine. This may not be inconsistent with the classical Marxist ethic, but is it practical policy on the part of a government which entertains unlimited ambitions?

This tentative appraisal of some of the evidence available to throw light on Soviet intentions suggests to my mind that we must enquire how far actual Soviet policy has been a response to concrete problems, as these have appeared to Moscow, rather than simply a manifestation of a Marxist initiative, how far the interplay of power politics has monopolized Soviet energies, how far Soviet attention has really been directed downward to what H.A.L. Fisher has called the urgent, the contingent and the unique, rather than upward toward a distant and ambitious future, how far the unlimited ambitions of 1917 have been adjusted to reality? It would seem that the Soviet regime has found that its domestic political formula has been too crude to control a developing population. In a parallel field, we must ask how far a nation which began life by destroying, exiling and renouncing all of the slender experience in foreign affairs which had been painfully accumulated under the Czars has begun to recognize the inadequacy of its political formula abroad, and to learn the lessons of practical politics on a global scale.

One possible interpretation would seem to be that the present Soviet leadership is a group of men who have learned that they must modify the implications of their inherited hostility to the West, but who cannot formally deny the faith and yet preserve the present political structure of the U.S.S.R., and who having harped incessantly on the contradictions they claim to be inherent in Western society, now find themselves involved in plentiful contradiction of their own.

As the U.S.S.R. has acquired power, it has tried to emerge from isolation. In so doing, it has found that hostility to the West, which was relatively facile in isolation, is vastly more difficult in the complexity of world politics. It has also found that the contradictions between the logic of power and Marxist theory have increased. Moscow cannot indefinitely stifle nationalism within the bloc and support it in Asia. A nation with thirty million Moslems cannot encourage an Arab renaissance without complicating her position in the Middle East, if not without incurring risks to her national security. Moscow cannot export commodity surpluses without impoverishing those whom she is trying to woo, and without forcing the West to close markets which she needs to penetrate. Moscow cannot maintain an arms race and still grant its people the long-delayed promise of a decent life. Moscow cannot seek long-term commercial links with the external world and still isolate her economy from the depressions in other countries which her ideology commands her

to foment. Moscow cannot develop such links and still isolate her planning procedures and her pricing policy from the eroding influence of a Western world which is far less statist than her own. A capital-poor country cannot endlessly export producer goods without developing an interest in ensuring a return on the investment and, therefore, an interest in stability. I repeat, the Soviet political formula has already proved to be too crude at home. Moscow may be beginning to learn how crude this formula has been abroad.

I have been trying, as fairly and accurately as I can, to present the evidence from a number of different fields that seems to be relevant to an appraisal of Soviet external intentions. As I have suggested, I can see real grounds for optimism in the evidence. But it is important to avoid drawing too large conclusions from such grounds for hope as may be detected. It would be folly to forget the Soviet incursions into Iran immediately after the war, or the brutal extinction of the independence of Czechoslovakia, or the support given to the attack on Korea, or the savage repression of the revolt in Hungary. Above all it would be folly to ignore that if we in the West were to let down our guard, the Soviet Union has it in its power to destroy us. Nor do I know of any evidence to suggest that the present Soviet leaders would hesitate to use any means, including force, to extend the area of Soviet influence and control if that could be done with impunity. On the other hand, the evidence does suggest that they would not be inhibited by the absolutism of Marxist doctrine from adjusting their ambitions and their policy to developing reality.

I must insist, however, that part of that reality is formed by the determination that the West has shown to defend itself and to maintain a military power to deter Soviet aggression. We will not be shaken by any blandishments or by any terror from continuing to contribute to that deterrent power, since we know that in it lies the key to our own security. Today the deterrent power of the West is composed principally of the long-range bombers armed with nuclear weapons which are at the disposal of the United States Strategic Air Command. It is essential, however, that the crucial force be supplemented by an effective air defence throughout North America; and it is for that reason that we in Canada are being called upon to strengthen the defensive system on Canadian soil by installing new means of detecting hostile aircraft, new weapons to bring them down, and a complicated ground environment to ensure that warnings are quickly gathered and interpreted and that orders are quickly transmitted. In a very few years the problem of deterrence may change radically with the advent of the inter-continental ballistic missile. That this will require a new defensive system and new defence expenditures, I have no doubt. But equally, I have no doubt, that Canadians will want to play their part in adjusting the air defence of North America to these new circumstances in order to maintain an effective deterrent against Soviet aggression.

I am also certain that Canadians will not be tempted by changing circumstances to falter in their allegiance to, and support for, the North Atlantic alliance. The alliance was created almost ten years ago to meet a military threat. Since then the threat has undergone several mutations, but it has by no means disappeared; and the unity of the countries banded together in the North Atlantic alliance is as much needed today to counter the threat as it ever was. Moreover, the Treaty is based on a genuine community of interest and historical background. To believe that the way of life which has spread from the maritime fringe of Northwest Europe is the best political arrangement which man has yet devised is no sentimental or historical delusion but a matter of hard common sense and practical politics; and if we believe this, then it behoves us not only to preserve but to enlarge our concept of Western unity and purpose. This task has taken on new importance as the new flexibility in Soviet policy since the death of Stalin has led to a greater emphasis on political and economic activity rather than on the military threat which, to a high degree, was responsible for the creation of the alliance.

I have been particularly encouraged in recent months by the great growth of political consultation within the North Atlantic Council. I do not conceal from you that political consultation in NATO has not always been either so constant or so detailed as we would wish. The absence of consultation at the time of the Suez crisis was a severe setback to the developing cohesion of the alliance. It was also a cause of regret to us that the rapid development of events in the Middle East a few months ago did not permit detailed consultation in NATO before the despatch of forces to Lebanon and Jordan. On the other hand, however, ever since the launching from Moscow last November of the first of a series of long distance notes, there have been the most detailed and constructive discussions within NATO on all those aspects of East-West relations that might be discussed at a summit meeting.

In six weeks or so a meeting will take place in Paris at which Ministers from the fifteen NATO countries will examine the state of the alliance, and will exchange views on the international situation. Our deliberations will not be limited to the military situation, though that, of course, will form an important part of them. We will be discussing the developments in various parts of the world where international tension is most acute. In preparation for this meeting discussions are currently being held among the Permanent Representatives of the NATO Governments in Paris on these same questions. Indeed, these discussions proceed without interruption in the NATO forum and they are having the effect of deepening and broadening the basis of co-operation among the countries of the West.

Yet it is undeniable that the world situation has changed radically since the North Atlantic Treaty was negotiated. A global nuclear war would not be so destructive that no man in his senses could regard it as a continuation of policy. Indeed, it would be a final apocalypse rather than another chapter in a continuing story. I have described the world as now having entered an era of virtual nuclear stalemate. When both sides have the power of inflicting appalling damage on the other, it is perhaps improbable that either of the great antagonists will be willing to run the risk of precipitating a general war. But the present equation of mutual terror is highly precarious. A miscalculation could upset it. A local war could spread to engulf it. In such circumstances, it seems to me that the diplomacy of the West must now be looking far beyond the urgent objectives of the past decade, beyond the provision of defensive strength and unity, for some positive policy which will supplement all that we have understood by "containment", for some accommodation with the Soviet Union which will introduce a measure of stability into a highly precarious international situation. The defensive strength that we have now amassed suggests to my mind that we can safely embark on such a search, so long as we keep our wits about us and continue to test every proposal against the touchstone of our vital security interests. And the assessment that I have made of Soviet intentions suggests that such an effort would not be fore-doomed to failure, since, while there can be no doubt of the rooted animosity of the Soviets towards us, the evidence would seem to indicate that they are not so deluded by Marxist doctrine as to be incapable of adjusting to the realities of the nuclear age.

Such an accommodation with the Soviet Union would necessarily include some degree of disarmament. Here I am glad to be able to report that some modest progress is already being made. In the summer of 1957 we joined with our principal allies in submitting a linked set of disarmament proposals to the Soviet Union. We still believe that those proposals are fair and reasonable, and would constitute a sound basis for disarmament negotiations. But we were never so wedded to them as to rule out consideration of alternative approaches. We made it clear that if some modification of them seemed likely to open up a more helpful avenue of negotiation, without imperilling our own security, we would certainly be prepared to adopt a different procedure. If, in particular, it seemed that progress might be made more readily by unwrapping the package proposal which we had joined in presenting a little more than a year ago, and by attempting to reach agreement separately on some of its components, we would be prepared to consider whether that course could not be safely followed.

In fact, it has been along such lines that progress has been made in disarmament discussions during the past few months. Earlier this fall agreement was reached at a meeting

in Geneva at the technical level on methods for supervising a cessation of nuclear tests. This technical achievement is to be followed by a further meeting in Geneva at the political level which will endeavour to reach agreement on the cessation of tests and on how it might be monitored and supervised. All this has been in accordance with a declaration by the Right Honourable Mr. Diefenbaker last April when he said: "My hope is that the nations of the free world will announce in the immediate future their desire and willingness to discontinue nuclear tests except for the application of known explosive techniques to peaceful purposes, provided that there is suitable international supervision."

Progress, although at a slower rate, is also being made in efforts to establish methods of preventing surprise attack. In this case as well, the procedure that is being followed is to tackle first the technical issues that are involved. These are to be considered at a meeting of experts early in November. If progress is made at that meeting we can anticipate, I think, that the discussion will move to the political plane in an attempt to reach definitive agreement.

There is one feature of these disarmament discussions that would have pleased Henry Marshall Tory, with his scientific training as well as his keen interest in international affairs. It is the important role that scientists are playing in them. More and more of our defence scientists are finding that they are having to turn their experience inside out, as it were, in order to assist in finding practicable disarmament agreements and efficient means for monitoring and policing them. This has been true of the discussions looking toward a cessation of nuclear tests; and I am sure it will also be true of the effort to find ways of preventing surprise attack.

There is one other problem, too, in the general field of disarmament for whose proper solution we will need the best scientific help we can get. I am thinking of the use to be made of outer space. This is a subject far too serious to be left exclusively to the military and to the writers of science fiction. Indeed, I can think of few conquests that are now-a-days more urgent than the annexation of outer space for peaceful purposes. It has been well said that of all the marvels in the world none is more marvellous than the starry heavens and the moral law. One of the tasks laid on our generation is no less than to make the writ of the moral law our own throughout the inter-stellar spaces. For the successful accomplishment of that task there will clearly have to be some re-deployment of scientific manpower so that we can be guided and counselled by those through whose skill such far-distant tracts are for the first time being furrowed by human invention.

I can even foresee that we in Canada, possessed of vast territory and free from any suspicion of military ambition may have a particularly significant part to play in international efforts to make peaceful forays into outer space and to bring it under international control.

Commerce between the scientific communities of the Soviet Union and the West would be, I feel sure, to our mutual advantage. Indeed, it may well be indispensable if we are to find a way out of the dangerous impasse in which the world now stands. But I am emboldened to think that a much wider interchange of persons would also be to our advantage. You may recall that the earliest democracy in Europe 500 years before Christ, prided itself upon the fact that: "We leave our city open to all men, nor do we ever by banishing strangers, prevent them from studying or observing any of those things which, if not hidden, might be of benefit to an enemy. We do not rely upon tricks of secret preparation and deceit, but upon our own courage in action". In a different age, the simplicity of that principle no doubt requires modification. But I hope that we will display something of the vigorous self-confidence that characterized Athenian democracy.

With that quotation from Thucydides, I return to some of the fundamental values on which our civilization rests. In the effort to find an accommodation with the Soviet Union, I have no doubt that there will be many points on which we will have to negotiate and compromise. There are some points, however, on which no compromise is possible. They include our convictions concerning tyranny and freedom, concerning aggressive and peaceful intentions, concerning justice and injustice, concerning cruelty and kindness, and concerning liberty and serfdom. Upon these matters, for all the ease of our relationships within our frontiers and with our allies and friends throughout the world, we are prepared to make no compromise whatsoever. We in Canada have no very long tradition of political experience. But I do not believe it is naive of us to think that there is something significant in the direction which refugees take when, in despair, they try to escape from conditions which they find no longer tolerable. It is our hope and our determination, if it is permitted to us, to live on terms of friendship and of respect with countries everywhere; but at the same time we will not abandon our conviction that there is a difference between a prison and a haven. Whatever may happen to us, may we never lose that conviction, and all that stems from it.

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THE MAINTENANCE OF GOOD RELATIONS

An address by the Prime Minister of Canada, Mr. John G. Diefenbaker, to the Pilgrims Society, New York, on October 28, 1958

I am honoured to be invited to be with you tonight at this distinguished gathering as I stop over for a few hours on the first stage of a tour around the world.

For over half a century the meeting of the Pilgrims Society of the United States has been an important forum for discussion of mutual relationships and international responsibilities for those who inherit the Pilgrim tradition -- for those who came from the Old World to remove forever the mystery of the New.

Historical Connection

We Canadians share your Pilgrim tradition in many ways. One part of our cultural background is the story of those who crossed the ocean from Old France to seek opportunity in New France about the same time the forerunners of the Pilgrim Fathers came to North America; your Jamestown was founded in 1607 -- our Quebec a year later.

Another part of our cultural background, which we call United Empire Loyalist, carried the Pilgrim tradition into the provinces of Nova Scotia, New Brunswick and Ontario. In that epic migration the Thirteen Colonies lost and we gained descendants of the Pilgrims.

It is one of the ironies of our common history that on the Plains of Abraham in 1759, a decision was made that North America was to be British rather than French, but that a few years later within this English-speaking family the debate was reopened and the question was whether or not North America was to be British; the American Colonies settled that question with finality.

In this newly created nation were retained English thought, tradition and political experience. To it were added a New World experiment in self-government with the "rights of man" and "natural law" -- ideas borrowed from the political thought of France. France in turn reabsorbed these ideas a few years later to provide some of the ideological fire for its own revolution.

Since 1776 the story of freedom has been in a remarkable degree the story of the English-speaking peoples spreading through many lands. In the 19th century the key role was played by peace-keeping Great Britain, and in the 20th, by a towering and powerful United States. Paradoxically, out of the separation of 1776 has come added strength to the liberty of men everywhere in the world, and in ever-increasing measure Anglo-American friendship has become a major foundation for the preservation of free and democratic society in the Western world.

In that friendship Canada shares. Canada and the United States have taken different yet parallel courses towards the kind of political sovereignty which each has found suitable to its people. Independence and self-government were attained in different ways -- "in the United States by revolution, and in Canada by evolution". In going separate ways, each has been inspired by a common history, by a common heritage of institutions, by the eternal values of right, and equal justice under law, and by a common international purpose -- the maintenance of peace in Freedom.

Both our countries have been able to bring about a unity among different races by welding together on equal terms and in freedom, English and French, German and Dutch, and all the races of mankind. Canada, founded by two great races -- British and French -- has achieved something more -- a unity and partnership between them which retains the best traditions of both. The successful mingling of races in Canada and the United States furnishes a hope for all mankind -- a hope of achieving peace among men irrespective of differences in race or nationality or creed.

Each of our nations is as sovereign and independent as the other; -- while Canada is a monarchy, whose Queen is the Queen of Canada, it has to be reiterated that Canadians contribute to her nothing for taxation or otherwise. Indeed, had the British Government listened to the request of the Olive Branch Petition, signed by forty-six members of the Continental Congress, including John Hancock, John Adams, Benjamin Franklin, Patrick Henry, Richard Lee and Thomas Jefferson, the course of history would have been changed. This Petition, delivered to the British after the battles

of Lexington, Concord and Bunker Hill had been fought, embodied the principles of the Statute of Westminster of 1931, upon which the Commonwealth is now built. The ideas of the founders of this nation expressed in that Petition have in the process of time become the cornerstone of the Commonwealth.

As Nicholas Murray Butler said, some twenty-five years ago:

"It is one of the most astounding things in the history of government that these men off in this distant series of colonies, economically in their infancy, financially helpless and dependent, had the vision of organization which has come now to all the British peoples.... So it is in the history of our race. Ideas, how slowly they travel; arguments, how slowly they are apprehended; action, how slowly it follows upon conviction."

Being agreed on the essential unity of our two countries, I wish to refer to the mandatory need of continued care and devotion to the maintenance of good relations. Some fourteen months ago, speaking at Dartmouth College, I expressed the concern of many Canadians with respect to trade and economic relations. I underlined my views in these words: "I emphasize that the Government of Canada has as its duty and responsibility to consider Canadian interests first." I adopted as my own words those ascribed to Mr. Dulles: "The purpose of the State Department is to look after the interests of the United States", -- subject to the substitutions necessary to make them applicable to my country. I further stated, and this has been made abundantly clear: "It is not now, and will not be, anti-American."

Improved Relations

Many Canadians have concluded that there had developed an assumption that relations with Canada could be taken for granted, and that the flowering plants in the garden of United States-Canada relations required little or no nourishment or care.

Tonight, I feel reassured that beneficial changes have taken place in these relations since I spoke at Dartmouth fourteen months ago. The plants in the garden are being more carefully nurtured; they are being trained up and guided, not left to grow jungle-wild. The process is not complete and will never be, for as Robert Louis Stevenson once truly said, "the art of friendship is a capacity for continually repairing fences".

What then are some of the reassuring evidences of the improvement to which I refer? In answering this question I shall be more general than might be the case at other times less politically controversial than at the moment.

(1) I recall the visit of President Eisenhower and Secretary of State Dulles to Ottawa in July. On that occasion we examined in frankness and forthrightness and mutual confidence, matters of great importance to our two countries. The measure of that frankness was evident in the President's speech to the Parliament of Canada in which, in Canadian surroundings, the points of view which guide the United States were reviewed.

May I divert here to say that a most encouraging aspect of events of the past year has been the manner in which the editorial writers and columnists of the United States and Canada have placed added emphasis upon examining and understanding the various points at issue, as well as to the many points of contact where we are in complete or substantial agreement. They have written with understanding -- and, I believe, written more quantitatively and more frankly than ever before.

(2) Arising out of the discussions with President Eisenhower, a Cabinet Committee, to be known as the Canada-United States Committee on Joint Defence, has been provided for, which will consult regularly on matters bearing upon the common defence of the North American continent which lies within the North Atlantic Treaty area.

This Committee, which will have its first meeting in the next few months, will not seek in any way to take over the technical responsibilities which belong to our respective Chiefs of Staff, or the advisory functions of the Permanent Joint Board on Defence, but will provide a close and intimate contact to the political leaders whose responsibility it is in the final analysis to decide on matters of the highest policy with respect to defence preparation. A clear understanding and identity of views in regard to the safeguarding of our peoples on this continent will be thereby assured.

(3) Another important move has been the action taken towards arranging on an organized basis an exchange of visits and regular exchanges of views between the legislators of our countries.

I proposed in the House of Commons the establishment of such a Committee. United States Senators Aiken and Capehart and Representatives Brooks Hays and Coffin have recently visited Ottawa to further the establishment of such a Committee and the first of these meetings will take place in Washington in 1959.

(4) Then too, I should mention the joint United States-Canada Cabinet Committee on Trade and Economic Questions which in a meeting two months ago came to grips with various economic problems affecting our countries and in discussion revealed a mutual desire to assure fairness.

It is most important that our trade relations have regard to the rights of each of us. The United States is our largest customer but purchases from the United States far exceed by hundreds of millions of dollars our sales to the United States.

Only a month ago a Commonwealth Trade and Economic Conference took place in the City of Montreal. The theme of that Conference and its conclusion can be summed up as an expanding Commonwealth trade in an expanding world economy.

As the free world must meet not only the military but the economic offensive of the U.S.S.R., I believe that it is the language of common sense that the nations of the free world must co-operate economically as in defence. To do less means that freedom can afford to allow the weakening economically of any of the free nations.

The recent extension by Congress of the Reciprocal Trade Agreements Act shows that the United States will continue to look with an open mind to the gradual evolution of an expanding area of multilateral trade. I was heartened by the stand taken by Congress this year in amendments to Public Law 480 which is of particular importance to Canada, dependent as my country is on major exports of wheat.

Rome was not built in a day nor can mankind in this era of space travel easily overleap the moon, and progress must be made by progressive steps towards the assurance that the economic policies of each of us are consistent with the international objective which is the maintenance of peace with freedom. Both must recognize that with the diversification of our two countries it is difficult to reconcile the numerous differing and widely-separated geographical regions and economic groups within each of our nations.

If, in each of the problems that arise the leaders of each of our nations keep constantly before them the realization that the economic strength and well-being of each is essential to the security of the other, co-operation in economic affairs as in defence will be assured.

Conclusion

In concluding, I wish to thank you for giving me the opportunity to speak simply and frankly to you to the end that each of us may contribute in larger measure to understanding the problems of the other and having understood, determine to act.

We will always have to meet problems as they arise but in the spiritual unity between Canada and the United States they will never be insoluble. That spiritual unity embraces a common approach to the decencies of civilized living; a common belief in the needlessness of poverty, of disease and illiteracy, a common faith in the eventual ability of men of goodwill to solve national and international problems are the ultimate and common beliefs of our people.

We are united, in international aims, purposes and ideals. Someone described the lives of those in this generation of cold war as moving always "between the tower and the abyss", the tower being the region of endless good possibilities in the development of man and society; the abyss is the disaster which will come if the tensions of recent years are not resolved by pacific means, knowing as mankind must now know that the arithmetic of scientific destruction is almost limitless.

In this world watershed of history there can be no divergence in the dedication of free men in unity. In facing the world-wide peril to freedom, we of the free world must in unswerving unity preserve those beliefs and traditions that make life not only worthwhile, but offer sure hope and inspiration to all mankind.

The great triangle of nations, Great Britain, the United States and Canada must join with others of like mind in a common effort to assure new hope for the betterment of people who have been disenfranchised from the bounties of Providence. It is a primary duty to be our brother's keeper to those underdeveloped areas of the world and to give aid, both economic and technical, so that the gulf between their living standards and ours shall become narrower. Since we in North America are blest with more than our share of the good things of life, an over-riding mandate in that we must help those who have less.

In this crusade for freedom we are joined in a common pilgrimage to duty, a pilgrimage imposed upon us by the good fortune of geography, history and tradition.

I repeat what I said at Dartmouth, which still represents the situation now as it then appeared to me although viewed now in the perspective of the intervening fourteen months.

"Our two countries, with Great Britain, have a joint heritage of freedom. We are united in our determination to preserve our heritage of spirirual values that are dearer than life itself. To preserve that steadfast

and undiminished unity that saved us in war, our governments, our peoples, must give due regard at all times to the problems of each other with infinite respect, tolerance and consideration."

"In the days ahead many grave decisions will face our peoples. In the last analysis, how Canadians and Americans and Britishers get along is a world test of 'neighbourhood' international relations.

"In concord with the other free nations, the solidarity of Anglo-Canadian-American friendship is vital to the peace and well-being of the world and will provide the key to whether we succeed or fail in our great quest to maintain freedom for this and future generations."

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CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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No. 58/44

CANADA AND THE COMMONWEALTH

The following are excerpts from a speech by the Prime Minister of Canada, Mr. J.G. Diefenbaker, to the Commonwealth and Empire Industries Association at the Royal Albert Hall in London, on November 4, 1958.

... I believe that the bonds which unite the members of this family of nations must be strengthened, and bonds being intangible, and in many respects personal, can be truly strengthened by personal contact and conversation, personal visitation and relation, by constant care and cultivation. Without these things, they soon wither. My visit is designed to contribute in this way whatever I am able to those intangible yet vital bonds that unite us in common purpose, and to learn at first hand of the problems and conditions of our Commonwealth associates in order that Canada may understand the better how it can effectively contribute to the welfare and advancement of all, and fully play its part in the achievement of a living, vital Commonwealth of Nations. In short, I want to know the problems of the other countries in a personal way.

I say, "in a personal way," for I am firmly of the belief that relations between countries within the Commonwealth or otherwise, are best built and fostered by personal contact by national leaders as by exchanges in every walk of life. Friendliness, knowledge and tolerance hold nations and peoples together and break down the barriers of misunderstanding.

Over the centuries, the genius for government of Englishmen created an empire which in this century and generation, by the exercise of wisdom and humanity has become the most improbable, and yet most noble association of all--a partnership of free peoples, in unity but not in political uniformity. Its ark of the covenant is the preservation of freedom. Despite differences of race, of creed, of colour, of history, of economic and political development, this partnership of free and independent nations dedicated to common ideals and purposes, is united in

the recognition that peace and prosperity are indivisible and that common interests are best served in interdependence and co-operation.

If causes for this miracle of statesmanship are sought, what better place to look than London. Here stands the Mother of Parliaments, the creator and guardian of a political tradition based on government by consent, government by debate, government under the rule of law founded on the human person. The source of its strength is found in the symbol of Westminster Abbey standing through the centuries beside the Parliament of Westminster. The spiritual values symbolized by the Abbey have shaped and humanized British political tradition and, wherever freedom lives, in the new and living Commonwealth, free men have cause to look to Westminster in thankfulness for the past and hope for the future

What is the Commonwealth?

What is this new and living Commonwealth of which I speak? What is this family of nations which I conceive to be of such vital and far-reaching importance to my country, Canada, to all its members, and indeed, to free men everywhere in the world? The Commonwealth of Nations is the most unique yet fruitful political and social institution that the mind of man has ever produced. Its greatness lies in its very nature, but its nature confounds precise definition. Not a political organization, federation, or empire, it has no common political master and no common political denominator.

It is not a legal or economic organization, having no contractual ties that bind its member states; it knows no concept of an economic or trading bloc, yet it is a positive and powerful force for good in the world today. A voluntary and revocable union of nations joined in dedication to common ideals and while international in scope, intimate in character, its bonds are not of the sword or the seal, but of the spirit. Institutions whose reality is in idealism and in the strength of the spirit, which are dedicated to high purpose and are in harmony with eternal faiths, stand the test of time.

To these spiritual things must be added practical values for individual nations. While religious creeds restricted by application only to specific areas and peoples passed into history, the great religious teachings of universal application to the social, moral and spiritual needs of people have survived. So it is with nations.

The Commonwealth must continue to grow in purpose and aspirations and remain volatile to needed change. In rigidity it will stagnate. A living Commonwealth must change to meet changing conditions. What was necessity yesterday may be anathema today. But in change never can it lose its ideals of its mission for freedom. Changes have taken place and are

taking place, and the Commonwealth of today is a new Commonwealth different from that given statutory form in 1931 by the Statute of Westminster.

Many ask what is the Commonwealth role today. This is an age of struggle for the minds of men. This struggle is unique in history, because it is world wide. Because it is global in character, only a global response and a global defence can preserve those values we hold dear.

This is the challenge the Commonwealth faces, must meet, and can meet, for no other institution in the modern world has the same global unity in the things of the spirit, and the economic potential to preserve and defend the heritage of freedom. Free men everywhere must recognize, and are grateful for, the contribution of the United States of America, for without the great economic strength of this country the situation might well be desperate. But the United States cannot carry the burden alone, nor should she. The Commonwealth straddling the continents, has a crucial part to play in world affairs and a unique responsibility to aid in fostering the progress of humanity.

Its principles include: a belief in the state as a servant of the people, and in the rule of law with equal justice and opportunity for all; a burning desire for peace; a resolve to settle international disputes by negotiation and legal procedure and the renunciation of aggression. These principles are nowhere recorded in a written charter; they involve no constitutional commitments, but existing in the hearts of all the peoples of the Commonwealth of Nations they are powerful and effective. These are principles worth preserving, but to preserve them we must stand together.

The Communist world having changed its direction from open or concealed aggression to trade requires counter-action by the free world. Trade has become a major weapon in the Communist world offensive. The Communist drive is designed to undermine the economic strength of the free world by understanding and by undercutting.... I believe that expanding trade and economic cooperation among the free world nations is necessary if the Communist world trade threat is to be met.

I first saw London when, 42 years ago, I was on leave during the First World War. I saw something of the majesty of the British people and the significance of British traditions, not realizing the day would ever come when the privilege and responsibility would come to me to share in the shaping of the future of the family of nations.

In July 1957, I attended the Prime Minister's Conference in London. I had the conviction then, that what should be done, and what was needed to be done, was to formulate plans, while maintaining the independence of each of the member nations, to strengthen the Commonwealth concept. The biblical question,

"Who is my neighbour?" took on for me in and during that Conference of Prime Ministers a new meaning and a new significance. I came to the conclusion that only through interdependence and co-operation among our neighbours could we bring about new hope for a stronger, better and more prosperous free world.

Accomplishments of Montreal Conference

It was because of these things that I advocated the convening of a Commonwealth Trade and Economic Conference. And I want to make this clear--that Conference would never have been attained were it not for the Prime Minister of the United Kingdom. When the plan was first advocated those of little faith said such a Conference could not be achieved. When plans were under way they said it could accomplish nothing. Since then, the "little-faithers" have contended that the Conference should have done more than it did, although if it had been left to them it would not have taken place at all.

The Commonwealth Trade and Economic Conference held in Montreal in mid-September, was a practical illustration of the Commonwealth in action. It gave added strength to the concept of economic interdependence and co-partnership. To me, this Conference seems likely to be remembered not only for its specific immediate achievements but also for the lesson in Commonwealth relations that it taught all of us associated with it.

The Conference was attended by delegations from all the Commonwealth countries, as well as by representatives of the Colonial territories of Nigeria, The West Indies (soon to rank with us as a full member of our family), Kenya, Tanganyika, Uganda, Sierra Leone and Hong Kong. It was a symbol of the unity of 660 million people living in lands over 12 million square miles in area, and made up of almost every race living in lands at almost every stage of economic development.

The Conference acted in a wide range of specific fields: trade, commodity problems, finance, development, education and even telecommunications.

An important feature of the Conference at Montreal was the attention it gave to the problems of international finance. The Conference recognized the vital role of sterling, both in financing the flow of world trade and in the foundations of Commonwealth economics. I think it is a fact that the strengthening of the pound in the last two years laid the foundation for the constructive steps taken at Montreal. Indeed, but for the much strengthened position of sterling during the last 18 months, the Conference could never have been a success. But the delegates assembled were looking to the future and even as they recognized this vital role of sterling, at the same time they agreed that it should be made convertible as soon as the necessary conditions for this event had been fulfilled.

In the field of capital finance, agreement was reached on the desirability of expanding the resources of the International Monetary Fund and the International Bank for Reconstruction and Development. The Conference discussed the possibility of establishing a new Commonwealth financial institution and agreed that further studies should be undertaken to consider methods of mobilizing resources for Commonwealth development in the less-developed countries.

The Conference stressed the great importance of more rapid economic growth in the less-developed countries of the Commonwealth. The value of the Colombo Plan was recognised by all, and Canada announced an increase from \$35 million to \$50 million in its annual contribution to the Colombo Plan over the next 3 years. For the Commonwealth areas in Africa, Canada stated it would provide an initial sum of \$500,000 for technical assistance. The Conference noted Canada's announcement of a \$10 million programme of assistance to The West Indies.

Even in the fields of education and telecommunication, the Conference made a notable and significant contribution to the growth, the spirit and the understanding of the nature of the association. It agreed to construct a Commonwealth coaxial cable to provide the first round-the-world telephone service. It agreed that the expansion of education and training is an essential condition of economic development. It discussed in principle a new scheme of annual awards of scholarships and fellowships, the details of which will be worked out at a special educational conference to be held early next year here in London.

But the most important accomplishments of the Conference and, I think, those of the greatest interest to you as businessmen, were in the realm of trade. The common objective of freer trade and payments was reaffirmed. A most important announcement was that made by the Government of the United Kingdom when it removed dollar import restrictions on a range of products, including canned salmon, newsprint and most machinery. This vital policy statement means that now import restrictions have been removed from almost all raw materials, basic food stuffs, and industrial machinery; at the same time the Conference agreed on the value of the existing system of preference and the United Kingdom confirmed its intention to maintain free and unrestricted entry for nearly all Commonwealth goods as an important part of the preferential system.

Canada, for its part, undertook to bind against increase under the GATT the British preferential rates of duty for an important list of products of special interest to the United Kingdom, and to bind against increase the special low rate of duty on mutton and lamb accorded to New Zealand and Australia. It was agreed that trade agreements would be reviewed, and that examination should take place under the relevant anti-dumping legislation, of dumped or subsidized goods which damage the interests of Commonwealth suppliers.

The Conference also agreed to full use of trade missions, trade fairs, and other promotional activities for the expansion of intra-Commonwealth trade.

In commodity problems and agriculture, the Conference recognized the serious problems caused by wide fluctuations in commodity prices and agreed to participate in a commodity-by-commodity examination of the situation. In this connection there was agreement on the need for measures to mitigate the adverse effects of protection afforded to basic agricultural commodities and minerals, and significantly, I think that while care has to be taken in the disposal of surpluses on world markets at non-commercial terms, it was recognized that such non-commercial disposal can help to improve the living standards of the less-developed countries.

These are some of the specific accomplishments of the Trade and Economic Conference. But none of these things, I think, express the full significance of it. It was in truth an example of the Commonwealth in action. Here friendships were made, understanding increased, ideals were reaffirmed. At the Conference of 1958 practical economic ways were devised in which this association of governments can bring benefit to the people which they serve.

Canada's Contribution

You have the right to ask me, as Prime Minister of Canada, what role do I see for Canada in the future of this new and living Commonwealth.

First of all, let me assure you in simple language of a desire to contribute to the strength and spirit of the Commonwealth and the common welfare of its people. Canadians understand the necessity of the developed countries speeding up economic growth and improving the living standards of their people. Canadians feel a responsibility to assist their fellow-men in the attainment of these goals and we are prepared to discharge in full measure this important responsibility.

Canada is among the six largest industrialized nations of the world. We are also the fourth largest trading nation, but our arrival as a highly industrialized country and a major trading nation is of fairly recent origin. We do not forget the days when our country depended heavily on agriculture and other primary industries for its livelihood.

In the process of diversification and industrialization we have had the help of many countries. Men from many nations came to Canada and brought with them skills, know-how, enterprise and capital. We can show our appreciation for the help we, ourselves, received in the early days of nation-building by now providing similar help to other countries.

Canada's economy has expanded rapidly in the post-war period, more rapidly than that of the United Kingdom and the United States. If past rates of economic growth are any indication, Canada may overtake the United Kingdom in terms of national income and national output within the next quarter of a century or so.

Canada recognizes its responsibility and its place in both Commonwealth aid and Commonwealth trade. Insofar as aid to less developed nations is concerned, the question which occupies us most urgently is not whether we should help them, but in what form our assistance will be most constructive and welcome. We know that it is an essential condition of true economic aid that markets be opened and opportunities found to sell and to assure reasonable return for the labourer and investment of the people of the developing land. Trade and aid are two sides of the same coin.

In this regard we warmly welcomed the announcement at the Commonwealth Conference to which I referred earlier, of the relaxation of import restrictions by the United Kingdom. Australia also has recently relaxed its dollar restrictions, the better to encourage a true Commonwealth trading partnership. Canada in turn has opened her markets for the goods of other countries. The fact is that last year we bought \$5.6 billion worth of goods from 128 countries all over the globe. This was about \$700 million more than we sold to other nations. So it is that Canadians express the fundamental belief in the benefits of international trade that I have said is the necessary complement to international aid.

We have found that in addition to developing international trade, there are four kinds of specific economic aid which will help a country speed up its development. They are: (a) capital aid, (b) technical assistance, (c) educational assistance and (d) food aid. We have used all four methods, both as givers and receivers. We shall continue to expand and diversify our programme of assistance within these four categories.

In deciding upon the form which economic aid should take, Canada tries to adopt a practical and flexible approach, attuned to the needs of the less-developed countries and to our own experience and capabilities. A large part of our aid in the past has been channelled through United Nations organization, but in some important cases, we have felt it more appropriate to use other media such as the Commonwealth. A well known illustration of this sort of aid programme is, of course, the Colombo Plan.

In the eight years since that unique mutual aid programme, the Colombo Plan was brought into existence it has resulted in the channelling of over \$3.5 billion in capital aid and technical assistance to the countries of Southeast Asia.

In recent years the scheme has been extended to cover also Southeast Asian countries which do not belong to the Commonwealth, in view of the close ties and common problems of all the lands in this region. Canada's contribution to the Colombo Plan up to the present has totalled about \$225 million and we recently announced our intention to step up our annual expenditures for this purpose from \$35 million to \$50 million.

In addition to other economic aid we in Canada have been making direct loans to assist needy countries to obtain foodstuffs from us. The most recent example is the Canadian Government decision to make available in the fiscal year 1957--58 the sum of \$35 million to Colombo Plan countries in the form of long-term loans to finance the purchase of Canadian wheat and flour. This was in addition to the regular economic assistance under the Colombo Plan. Under this arrangement Canada concluded an agreement with India in February 1958 for the sale of 400,000 tons of wheat, worth \$24.2 million, to be financed by a government-to-government loan repayable in seven annual instalments to begin at the end of three years. A further loan of \$2 million, on similar terms, has since been made to Ceylon. The balance of the \$35 million, \$8.8 million, has been offered to and accepted by India. If the needs continue to be pressing, we will consider further loan assistance to friendly countries.

These are some of the things which we as a nation have done in the recent past in our role as a Commonwealth partner.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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No. 58/45 THE COLOMBO PLAN: PROGRAMMES AND PROBLEMS

Statement by Mr. Sidney E. Smith, Chairman of the Delegation of Canada, Second Session of the Ministerial Meeting at Seattle, Washington, on Tuesday, November 11, 1958.

We welcome this opportunity to discuss the operations of the Colombo Plan and the programmes and problems with which we are individually and collectively concerned. During the years of its existence, the Colombo Plan has provided the world with outstanding examples of the feasibility of co-operative efforts by peoples of differing traditions and divergent ways of life, and of the possibility of bringing their efforts to a successful conclusion. It seems to me that the Colombo Plan also has a particular significance in that it embodies the concept of the interdependence of nations and has done much to promote wider acceptance of this concept throughout the world.

My strong impression is that there is an increasing desire in those countries which have achieved a relatively high standard of living, to help other countries to increase their well-being. This, I venture to suggest, is one of the most remarkable developments in international relations of the past decade or so. There is clearly a genuine feeling on the part of both individuals and governments in the more developed countries that the wide differences in standards of living that confront us represent not merely an economic problem, but also a human problem.

The emphasis in our efforts through the Colombo Plan is on the concept of co-operation, because it forms the only basis for success in our endeavours. As we share common efforts and common burdens, however, we also, I suggest, share common benefits. I am sure that those of us who have been able to supply technical personnel, value the experience that our engineering contractors and our other experts have gained at first hand by their participation in South and South-East Asia in new projects and programmes in a wide

variety of fields related to economic development. We in Canada attach particular importance to our contact with students, teachers, professional men and administrators who have come to Canada from the Colombo Plan area to see what we are doing in fields in which they are active in their own countries. Such personal communications are of value not only because they encourage an exchange of technical knowledge, but also because of the contributions they make to the development of understanding and mutual respect.

That is an important factor in our co-operative efforts. Beyond the immediate benefits arising from personal relations between our peoples, there are broader benefits which, in due course, we may expect to share. As the development of our joint programmes bear fruit, and as the economies of the countries in South and South-East Asia move forward with increasing momentum, the demand generated by increases in national wealth in this region will certainly provide a significant stimulus to world trade. In this, all countries, developed and less-developed alike, may expect to participate and from it they may all expect to benefit. In the broad perspective, therefore, the fortunes of the developed and less-developed countries are linked towards the goal of prosperity and a richer life for their people, not only in human terms but in economic terms as well.

Substantial progress in economic development has already been achieved, but much remains to be done. I think also that sometimes we have a tendency, a very understandable but nonetheless potentially dangerous tendency, in taking a justifiable pride in our achievements, to gloss over the setbacks we have met. It is well, therefore, to pause from time to time as we are proposing to do this week, to take a searching look at our plans and programmes. I think the draft report which we are now considering does well to draw attention to some of the difficulties which have arisen or have become more acute since we last met. However, it also reflects the increasing experience in countries represented at this meeting in understanding the nature of these difficulties and in working out ways to deal with them. There is, for example, increasing recognition of the need to ensure that technical skills are developed at a rate sufficient to make the most effective use of the capital and natural resources available. There is increasing recognition, too, of the fact that industrial development does not in itself ensure a sound and prosperous economy; obviously it must be meshed into a well-balanced development programme. For example, as the draft report points out, agriculture must, in much of the Colombo Plan area and for some time to come, provide the major part of employment and income.

We are all aware, of course, that there is in the world as a whole a shortage of resources available for development. We are also aware that there is considerable competition in the claims upon these resources. Wherever, therefore, we can avoid duplication of effort and perhaps achieve a genuine saving in resources, we should be prepared to explore the means of doing so. In this context, I think of the possibility of making available to several countries the facilities available at technical and other training institutions. In this way we can ensure that not only our own efforts but the efforts of our neighbours are exerted to best advantage and to the ultimate benefit of the largest number of people.

Fresh Impetus to Economic Aid

Against the background of problems and achievements outlined in the draft report, Mr. Chairman, I now refer briefly to the fresh impetus which has been given this year to the concept of international assistance for economic development. Four initiatives which have been taken within the past few weeks will have a significant effect, I believe, on the problems with which we are concerned.

In the latter half of September, the Commonwealth Trade and Economic Conference in Montreal stressed "the great importance of more rapid economic progress in the less-developed countries". This recognition was translated into concrete undertakings on the part of a number of Commonwealth countries to add to the measures that they were already taking to meet the problem of economic development. At the annual meetings of the International Bank and the International Monetary Fund in New Delhi early in October, very substantial progress indeed was made towards a decision to increase the resources of these two organizations. Such increase would, on the one hand, mobilize more capital for loans to under-developed countries and, on the other, would help to maintain a higher and more even flow of world trade through assistance to countries which experience balance of payments difficulties. I mention also the decision taken last month by the General Assembly of the United Nations to establish the Special Fund. That decision, we hope, will result not only in some direct assistance to the under-developed countries but, more important perhaps, it will also help to expand the capacity of these countries to attract new capital from private and public sources by creating conditions under which such investment can be more effectively utilized.

Finally, the fourth initiative relates to the strong and wide-spread desire to find solutions to commodity problems. I recognize, Mr. Chairman, that this is not directly related to the business of this meeting. There is, however,

a very close link which we all recognize between the serious difficulties encountered by a number of countries which produce primary commodities, and the capacity of those countries to sustain a reasonable rate of economic development. Here, again, the Commonwealth Trade and Economic Conference held in Montreal formally recognized the serious problems caused by the existence of wide fluctuations in commodity prices and the need for immediate action. To this end, Commonwealth countries agreed to take part in whatever commodity-by-commodity examination as might be required, and expressed the hope that other countries would be prepared to join in such discussions. In this connection, I am sure that we all welcomed the statement made by President Eisenhower yesterday that the United States is prepared to join in discussion, where special difficulties may arise with respect to particular primary commodities, to see whether a solution can be found.

Canada's Part

In all these initiatives, Mr. Chairman, I am glad to say that Canada is playing a full and active part. We have agreed to contribute our share to the proposed expansion of the resources of the International Bank and the International Monetary Fund. We have pledged a contribution of \$2 million to the United Nations Special Fund for the first year of its operation. And, with specific reference to the Colombo Plan, we have undertaken, subject to the approval of the Canadian Parliament, to increase our annual contribution for the next three years by roughly one-half from the current level of \$35 million a year to \$50 million a year. In their forward planning, countries may find it helpful to have this early indication of the Canadian Government's intention to contribute in larger measure to the Plan. We have also signified our intention to enlarge our aid programme to The West Indies Federation and to our Commonwealth partners in Africa.

During the fiscal year ending in March 1958, my Government allocated over \$39 million from the Colombo Plan fund to assist in the financing of agreed projects located in the region. A substantial part of this amount was used to provide additional financing for projects which have been under way for some time, such as the atomic reactor in India and the Warsak hydro-electric project in Pakistan. Our partners in these and similar undertakings would, I am sure, agree that the progress made towards their completion in the last year has been most encouraging. Since the inception of the Plan, we have found that the difficulties which inevitably arise in the execution of joint projects have steadily diminished. This improvement reflects, I think, not only a

better mutual understanding of the conditions and methods governing the execution of such joint projects, but also, and more importantly, a deeper appreciation of each other's problems.

A substantial part of our allocation in the year 1957-58 was used to provide metals, such as aluminum and copper. This is not a new feature in our aid programme; we have provided metals in the past, but never in such large quantities. This shift in the content of our programme was made at the request of the countries themselves and reflects the changes in the needs of these countries brought about by the process of economic development. We have tried, and will continue to try, to make our programme as flexible as possible.

During the current fiscal year, Parliament voted an additional \$35 million for assistance under the Colombo Plan. Discussions with a number of member countries are quite far advanced and agreement on projects should be reached in the near future. This brings the total Canadian contribution to the Colombo Plan since its inception to over \$231 million. This figure does not include \$21.5 million in grants and \$35 million in loan funds made available to Colombo Plan participants for the purchase of commodities.

In conclusion, Mr. Chairman, I assure you of the continued warm support which public opinion in Canada is giving to the policy of the Canadian Government to co-operate with the less-developed countries in their economic development programmes. We realize, of course, that most of the effort and most of the burden must be and is being shouldered by these countries themselves. On the other hand, we recognize that, when all has been done that can be done, there will remain a need for assistance from abroad, both by way of private investment and by means of resources made available by governments and international institutions. It was this recognition that led us jointly to bring the Colombo Plan into being some eight years ago. I think we can take pride in the results that we have achieved in close co-operation with one another. This co-operation will lead us to the objectives we all seek.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
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No. 58/46

Statement by Mr. Gordon Churchill, the Canadian Minister of Trade and Commerce, at the Plenary Meeting of the Contracting Parties of the General Agreement on Tariffs and Trade at Geneva, on October 17, 1958

Last year I had the pleasure of attending the twelfth session of GATT on behalf of the Canadian Government. I am very glad to be here again. The GATT remains the major international institution for the joint development of constructive trade policies, and it is important to all of us that its effectiveness be maintained and increased.

One way, and a very desirable way, of increasing the stature of GATT is through the accession, on suitable terms, of additional contracting parties. Accordingly, I should like to say how happy I am to see Switzerland represented at our council table at this time, and to know that Switzerland is soon to assume even closer relationships with the GATT.

I also wish to say how pleased we are with the announcement made yesterday by the Minister for India, that India has decided to withdraw the application of Article XXXV with respect to Japan, and that India and Japan have thus assumed full GATT relations with each other. We very much hope that other countries still resorting to Article XXXV will also find it possible to take similar steps.

Last month Canada was privileged to act as host to a Trade and Economic Conference of Commonwealth countries, countries which, while of widely different backgrounds and interests, are bound together by special ties of kinship and historical association. At that Conference the countries of the Commonwealth, all represented here as members of the GATT, reaffirmed their determination to join with other countries in the freeing and expansion of world trade and payments, and in the solution of the many important problems of trade and development. This was an outward-looking Conference, conscious of the fact that world problems demand world-wide solutions, and conscious also that the

broad initiatives that were being set in motion required joint action with our trading partners throughout the world.

Since last year there have been many hopeful developments in the world trading and economic picture. There are now clear signs of recovery from the economic recession which had given rise to concern in many countries and there is strong evidence of renewed progress towards greater economic activity. The world as a whole seems now to be moving into a position where new initiatives, a new search for solutions and new efforts for expansion are called for and are also possible. In this important task we place great hopes on the flexibility and effectiveness of the GATT as one of the basic institutions for co-operation among the trading nations of the world.

We are fortunate in having before us the report and conclusions of the panel of distinguished economists, established last year by the Contracting Parties to the GATT. I wish to join with my colleagues in paying high tribute to the members of the panel for the excellence of their report and for the objective and penetrating analysis they have given us of some of the most challenging problems which face the world today. This report is a guide-post of great significance, both in the formulation of policy by individual governments and as a basis for future action and decisions to be taken jointly in the GATT. I note that the report speaks in terms of industrial and non-industrial countries. Canada would, I think, be able to take its place within both of those categories. Our secondary industries have been developing rapidly in recent years, and yet we remain one of the world's major producers and exporters of primary materials and foodstuffs. We share many of the concerns about agricultural protectionism and commodity price fluctuations to which reference is made in the report. We are also deeply appreciative of the legitimate aspirations of less-developed countries and we are making our own contribution to meeting the needs of these countries for financial and technical assistance.

The problems of production and trade of primary products, particularly agricultural, are of long standing. The GATT has from the beginning recognized the special nature of trade in this field. Over the years it has been found necessary to grant waivers to meet the difficulties of individual countries, until today there are virtually no agreed trading rules and restraints in this field. The resultant imbalance in benefits and advantages within the context of the GATT is a matter of grave concern to the many countries which are particularly dependent on agricultural and primary exports. Canada's interest in these problems could hardly be more direct and profound. Our trade with many countries has been adversely affected by quotas, embargoes, high tariffs and other protectionist measures. We have, in addition, as a dollar country faced severe discrimination against many of our exports.

We have also been adversely affected in a number of our traditional markets through competition from subsidized surpluses made available on concessional terms and without due regard for our interests. We are, therefore, aware through direct experience of the many facets and ramifications of this problem. We recognize too that agricultural protectionism has become a world-wide problem and that no one country or group of countries can effectively cope with it in isolation. It is important that solutions should be sought and developed essentially on a world-wide basis and that all countries should be prepared to play their appropriate part. Our objective should be to strengthen the GATT in this field, to render it effective and thus to redress the balance of benefits and advantages which has so long been distorted. We should direct our attention to all forms of protection as well as to surplus disposal activities. In this connection, I have listened with great interest to the constructive and imaginative proposals made yesterday by Sir David Eccles. The confrontation of agricultural policies within the GATT, if accepted by all countries, would lead to fruitful results. We shall, of course, wish to give the most careful consideration to these new United Kingdom proposals in the course of this session.

The Panel's Report also gives special attention to the problems created by excessive short-term fluctuations in commodity prices. It recommends that all of us, but especially the large industrial countries, should do everything possible to maintain economic stability and balanced growth by pursuing sound fiscal, monetary and trading policies. We agree fully with this. We also have been convinced that an increase in world liquidity will do much to mitigate the effects of temporary fluctuations. In addition, we appreciate the high importance which many countries attach to the successful conclusion of commodity agreements on products of interest to them. Canada is a member of the three commodity agreements now in operation - wheat, sugar and tin. We are also participating in a number of commodity study groups for other important primary products, and we are prepared to play our full part in working with other countries for effective solutions, whether through GATT or in other forums.

References have already been made to difficulties facing lead and zinc producers throughout the world and to the recent United States action imposing quotas on imports. The unilateral imposition of restrictions by the United States on these important basic industrial materials can only serve to shift the burden of readjustment to world market conditions on to producers in other countries. Restrictive measures have been imposed at this time in a period when we should all be bending our efforts to the removal of special trade barriers and to the opening of markets throughout the world. In the view of the Canadian Government, these measures are in contradiction to the terms and spirit of GATT and constitute a serious impairment of benefits and concessions accruing to Canada under the GATT.

While it has not yet been made clear exactly what steps the United States has in mind to alleviate the situation, I am sure that other contracting parties will have been pleased and encouraged by the undertaking which Mr. Dillon gave in the very constructive speech which he delivered yesterday. Canada will certainly be prepared to participate fully in the projected multilateral discussions of this problem. In our view it is a problem of great importance.

May I turn now to certain other matters on the agenda of this Conference. Arrangements are to be made for a series of consultations on balance-of-payments import restrictions. Canada has been particularly affected by the continued maintenance of import restrictions in many of our traditional markets. We are convinced that the early removal of discriminatory restrictions by countries still maintaining them would be the greatest single immediate contribution that could be made to the expansion of world trade. Last month the United Kingdom announced the removal of restrictions on a wide range of important products, including a host of manufactured goods, and undertook, all being well, to dismantle restrictions on yet more goods next year. We have warmly welcomed these far-reaching decisions which when fully implemented, will again make the United Kingdom market among the freest in the world. These constructive measures together with similar moves for relaxation of restrictions by Australia and certain other countries set an example which we hope others will soon follow.

May I refer now to the question of the German import restrictions, which is on our agenda for this Session. Germany is no longer in balance-of-payments difficulties but still maintains discriminatory import controls on many important goods, both industrial and agricultural. Many contracting parties are concerned about these German restrictions, both on grounds of the present or potential effect on their own trade with Germany, and also because of the broad implications that the maintenance of these restrictions has for the whole fabric of multilateral trade.

Dr. Luebke, the Minister of Agriculture for Germany, pointed out quite correctly that Germany is a large importer of agricultural products from the dollar area. We are very much aware of the importance of the German market and of the close and valuable trading relations between us. Canada benefits greatly from these relationships. Similarly, Germany has a valuable and impressive stake in the open and rapidly expanding Canadian market, and we have welcomed the remarkable increase in German exports to our country. I should make it clear, however, that in considering this matter within GATT, we are not so much concerned with the question of the present volume of trade with Germany as with the question of the terms of access which we accord each other both now and in the future. Under GATT, there should be full equality and reciprocity of treatment among all GATT partners. We recognize fully that Germany, like many other countries, may have certain compelling

domestic problems in the field of agriculture. I do not think, however, that the solution to any country's problems lies in a policy of bilateral or regional arrangements requiring discrimination. Dr. Luebke argued forcefully that discriminatory import controls on agriculture were necessary to enable Germany to maintain the export of her industrial goods to certain countries. This concept, if generally accepted, would surely run counter to all the principles and objectives of the GATT. Canada, for example, has a vast overall imbalance in her trade and we are of course concerned about this. However, we are anxious to resolve this situation, not by seeking out special privileged markets for ourselves by means of bilateral or by regional policies, but rather by joining with all other countries to expand world trade on a multilateral basis. We hope that Germany - as one of the world's major trading and industrial countries - will follow a similar course of action.

I wish now to refer to the Rome Treaty. I again take this opportunity to assure the participating countries that the Canadian Government fully appreciates and has every sympathy for the broad objectives of their initiative. An economically stronger and more integrated Europe can make an important contribution to a stronger world economy.

Since last year the European Economic Community has set about establishing its institutions and formulating its policies. Next January, the first step in the gradual reduction of tariffs among members is due to take effect and thus, for the first time, outside suppliers to the Six will face a tariff disadvantage vis-à-vis their competitors in the Community. This is, of course, the natural consequence and result of the formation of a Customs Union and we accept this situation, provided that we can be assured that the arrangements and policies of the Six, with respect not only to tariffs but also to other aspects of commercial and agricultural policy, are such that the trade-creating effects of the new Community clearly outweigh and counteract the trade-diverting effects. I pointed out at the last session of GATT the difficulties that could arise for world trade from the creation of the European Common Market. There is the possibility of more restrictive tariff barriers against many important traditional exports to the Six; there is the danger of a more extensive system of discriminatory import restrictions.

We are also concerned at the possibility of more restrictive arrangements for agricultural imports from outside the Community. We could not be expected to acquiesce to regional agricultural arrangements in Europe which intensify restrictions, increase tariffs or aggravate discrimination against our exports, and which might place outside countries in the position of marginal suppliers, to be permitted entry only after surpluses within the Community have been marketed. With respect to the problems raised by the association of overseas territories, procedures were recently agreed for joint consultations with the Six. The purpose of these consultations is to forestall and

prevent damage before it occurs, not to seek to undo damage already done. We think that such consultation procedures could be very useful in creating an atmosphere of closer co-operation and allaying some of the concerns that have been expressed. We would be interested in considering other similar arrangements and perhaps this kind of procedure could be incorporated as part of any general procedures that may be agreed with respect to agriculture. There is a fundamental point that must, however, be borne in mind. The Contracting Parties to the GATT have a responsibility to appraise the Rome Treaty as it develops, in the light of GATT provisions and objectives. If necessary, the Contracting Parties should be prepared to make suggestions and recommendations to the Six with a view to ensuring conformity with these objectives. It is surely in the interests of the Six to co-operate fully in this task. I wish to repeat that we are aware of the great opportunities that could result for world trade from a strengthening and expansion of the Six economies. At the same time, we are conscious that these benefits are dependent on the development of outward-looking policies by the countries concerned. The Six countries are responsible and important members of the world trading community and they will, I am sure, wish to play their full part in our collective efforts towards promoting a more prosperous and expanding world trade.

I wish to conclude by stressing the importance which we attach to our meeting here. Many of the issues I have reviewed are difficult and far-reaching. I am hopeful that at this session we will again be able to find solutions and further the cause of international trade in a spirit of co-operation and understanding. Our Delegation is prepared to participate fully and in a constructive manner in this joint endeavour.

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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/47

DISARMAMENT

A statement by Mr. Sidney E. Smith,
Secretary of State for External Affairs,
and Chairman of the Canadian Delegation,
in the First Committee of the United
Nations General Assembly, on Monday,
October 20, 1958.

... The Canadian Delegation has listened with great interest to the statements made in this Committee on the subject of disarmament. It seems to us, Mr. Chairman, that there is universal awareness, expressed by all the speakers, of the appalling threat which the possibility of war presents in a nuclear age, and the need for disarmament as a condition of human survival. Against this sombre background, it must seem to those who are, in all countries, following our discussions, that a great effort is demanded of the United Nations to reach some measure of agreement as to our objectives. This Committee cannot, by its own direct action, bring about disarmament, but we can, I believe, powerfully influence the outcome.

I think, Mr. Chairman, that there has been, during the last few days, a growing tendency in the Committee to try to find some common ground on the means of attaining our objectives, particularly over testing of nuclear weapons. There are, as we all know, a number of resolutions relating to this subject before the Committee, and indeed it is dealt with in the resolution which we ourselves, along with sixteen other governments, are co-sponsoring. For our part, we very much welcome this trend in the Committee towards a search for a unanimous approach to this problem, a trend which has found expression in various forms in a number of recent speeches from representatives of countries in many parts of the world. It is very understandable that sober opinion in this Committee should not wish to see our discussions end in an atmosphere of disunity. It is particularly important, it seems to us, in connection with the forthcoming meeting in Geneva of October 31, to consider the question of nuclear testing.

In this context, there has sometimes been too much emphasis on matters of semantics during recent discussions here. We have had a good deal of play on words in connection with this question of nuclear testing: such terms as "cessation", "discontinuance", "suspension", and "halt". Of course, these shades of meaning may represent different approaches to the problem. Yet I believe it is our duty to seek what is common in our aims and not to underline our differences. This, if I understood him correctly, was the object of the distinguished Foreign Minister of Sweden in his statement, and I was sorry that the Representative of the Soviet Union took occasion in his remarks of October 17 to give the impression that he was analysing away the possible grounds of compromise which Mr. Uden appeared to be indicating. Nevertheless, it seems to us that that common ground does exist, and it has become increasingly apparent during our discussions. Unless I am mistaken, most of the members of this Committee who have spoken (this includes the representatives of the great nuclear powers) have expressed themselves in favour of the objective of the discontinuance, under sufficient control, of nuclear testing for weapons purposes. There are important differences as to timing and as to the relationship of test discontinuance to other aspects of disarmament. But agreement as to the acknowledged goal remains.

Certainly, Mr. Chairman, the Canadian Delegation has no desire to foster an illusion of unity where none exists. On the contrary, we believe that a practical and realistic approach which faces all facts is the only one which offers any hope for progress towards disarmament. But we think that, if there is a measure of agreement as to our aims, this fact should find expression.

When we turn from words to deeds in this matter of test explosions, we are faced with an obscurity in the Soviet position which gives ground for real concern. One of the most promising auguries for the success of the forthcoming Geneva negotiations has been the willingness of the Governments of the United States and the United Kingdom to suspend all test explosions for one year from October 31, the date from which these negotiations begin. When is the Soviet Union going to match this offer? For what purpose is the Soviet Government keeping us all in suspense while awaiting an answer to this question. The equivocal statement made by Mr. Zorin on this subject on October 10 can hardly be considered adequate. Members of the Committee may be more interested in this practical question than in score cards of past nuclear explosions.

So far, Mr. Chairman, I have been dealing with questions relating to nuclear testing, but although this subject has been in the forefront of our discussions here, and although my Government attributes great importance to it, we must, I believe, all agree that it is not the heart of the matter.

Let me make our viewpoint clear. What we want is total disarmament as soon as possible. We do not like nuclear weapons and we want to rid the world of them. We do not, however, subscribe to the thesis that it is only nuclear warfare that is wicked, with the apparent conclusion that if we could get rid of it we could go back to nice clean wars like the last one. The existence of nuclear weapons in the first place was made necessary by the existence on a larger scale of conventional weapons of destruction. The refinement of nuclear weapons after the Second World War was made necessary by the accumulation and the threatening use of huge conventional armaments by the U.S.S.R. and its allies -- coupled, of course, with their own stockpiles of weapons and missiles. It is not stubbornness or malevolence which causes us to insist on the connection between nuclear and conventional disarmament. We cannot tackle one aspect of disarmament without tackling the other.

I am no more happy than other speakers that peace should be maintained by a balance of the forces of destruction. That is why Canada wants to move forward through stages of disarmament to healthier international relations. This is a hard world, however, and the transition from a balance of forces to something better is precarious. Those who insist on the immediate abolition of nuclear weapons without regard to any other factors, should ask themselves whether they are sure that the unhealthy balance of power which would result in the world would guarantee peace for any country. Would it, for instance, safeguard the countries on the expanding perimeter of the Communist empire? It has been with conventional forces and the threat of conventional forces that those countries have been threatened or subjugated in the past. We do not yet live in the ideal world of the philosophers and we dare not talk here as if we did.

Having insisted thus on the fundamental importance of balanced disarmament, I wish to make clear that Canada recognizes that we can proceed to our goal only by stages. We do not object to taking a first step, if that step is valuable in itself and equitable in effect. In particular, we strongly endorse the suspension of nuclear tests as an initial measure. We do so because we believe that suspension can soon become permanent cessation. Such a measure, we hope, would encourage greater mutual confidence. The essential control feature, although not an end in itself,

could become a first great experiment in international scientific collaboration. It would point the way to a solution of the complex problems ahead in controlling more difficult aspects of disarmament -- because no progress in disarmament is possible without control. The establishment thus set up might also carry on positive scientific programmes in the spirit of the International Geophysical Year.

The immediate suspension of tests would have many desirable results. Nevertheless we should realize that serious risks are involved for those countries which have sought to turn their manpower to productive purposes and are forced to rely on modern arms for their security. The offer of the United States and the United Kingdom should not be underestimated. It is a daring step in a perilous international situation.

For our part, we have always pressed in this Assembly for the cessation of nuclear tests as urgently as possible. Those of us who are impatient, however, should all take stock of the extent to which the United States and the United Kingdom have changed, in the interest of reaching agreement with the Soviet Government, conditions considered only a few months ago as necessary accompaniments of the suspension of tests. No power can be expected to rush into moves of this kind without caution. If this programme is accepted by the U.S.S.R., it can lead us to the total cessation of tests, which we are all united in wanting. The U.S.S.R. is on record with offers which should make such a programme possible. There is no question, therefore, as has been suggested in this debate, of the United States and the United Kingdom attempting to impose something by marshalling a majority vote of the Assembly. Given good will and good faith, there is no reason why there should be a single test explosion after October 31, ten days from now.

Whatever declarations we might extract from the Great Powers, I do not believe we can expect any of them to scrap completely and immediately their capacity to develop and test nuclear weapons, because it will take time to establish and prove the worth of an agreement. Whether we call it a cessation, a suspension, or a discontinuance of tests, the fact is that it will of necessity be tentative until all parties concerned are assured that the control system is operating effectively.

I realize that there are those who honestly doubt that the Western Powers are in earnest and that they are seeking to provide a means of escape from any agreement on discontinuance of nuclear tests. For my part, I can say that I am by no means certain of the good intentions of the U.S.S.R., but I am prepared to accept the declarations

they have made before us and at Geneva, in spite of the attempts they have made here to cloud the issue. As for the United States and the United Kingdom, I know much more of their intentions. I am convinced of their determination to strive earnestly for a situation in which the cessation of tests will be achieved.

The stand of my own Government was put on record last April when the Prime Minister, Mr. Diefenbaker, stated in an address: "My hope is that the nations of the free world will announce in the immediate future their desire and willingness to discontinue nuclear tests, except for the application of known explosive techniques to peaceful purposes, provided that there is suitable international supervision."

In my country we do not make or possess nuclear weapons. Our considerable atomic energy industry is devoted to peaceful uses. It is tempting to make a virtue of this fact and commit thereby the all too common sin of those of us who are not great powers. Canada is linked for reasons of defence with those who do possess nuclear weapons, and we do not question their justification for doing so under present circumstances. All of us here would do more for the cause of genuine disarmament if we would recognize the terrible dilemma which faces the great powers today, and not treat their problems as if they were miasmas which could be exorcized by rhetoric.

Nothing I have said is intended to give the impression that we in Canada view the development of nuclear weapons with equanimity. I think we should all be grateful to the distinguished Foreign Minister of Ireland for bringing to our attention, here and now, the danger involved in the spread of nuclear weapons. I share his grave anxiety at the uncontrollable anarchy which could result from the wide dissemination of these dangerous instruments. The main danger, as we see it, lies in an extension of the capability of making nuclear weapons, and I join heartily in Mr. Aiken's appeal to all those not now engaged in making nuclear weapons to refrain from doing so. The indiscriminate spread of nuclear weapons by transfer is something which we should also like to discourage. Nevertheless, to forbid absolutely their transfer, before relevant disarmament measures are agreed upon, might not contribute to the good cause which Mr. Aiken has in mind.

As I stated in the General Assembly, we are deeply concerned over the stalemate that has been reached in United Nations machinery to deal with disarmament. The Disarmament Commission has been rendered inoperable by the demand for "parity". Parity, it seems to me, is one of the most reactionary principles yet propounded in the United Nations and would quickly destroy our institutions if it were

accepted. Any country, which has the best interests of the United Nations at heart, must struggle to maintain the necessary flexibility for movement and growth. It must frustrate efforts from all quarters to force member states into two or more camps. The principle of "parity" would freeze us into a strait-jacket of alignments, so rigid and so unnatural that paralysis would quickly set in. I fully agree that the many various schools of thought in the Assembly should be represented, and I admit that the proportions in United Nations bodies dealing with disarmament and other subjects have not always been justifiable. It was for this reason that my Delegation last year took a lead in seeking a more equitable distribution of seats in the Disarmament Commission. We see no reason, however, why we should distort the world to suit the Soviet Union. Adjustment of the balance of interests is one thing, but this so-called "parity" is something quite different. For our part, we could not agree to the principle of "parity", whether it was put forward by the Soviet Union or by any other great power.

It may be that the time has come for a new approach to the whole question of disarmament machinery in the United Nations. The Secretary-General, in his memorandum, has suggested the new responsibilities which will have to be accepted, if, as we trust, positive results are achieved in Geneva. We may be moving from a largely deliberative phase to a phase in which the United Nations will have administrative, along with deliberative, functions. If progress begets progress, then both aspects of our work may be much greater than anything previously undertaken. For this purpose we may well need new and different bodies. Countries participating in these bodies will have to be chosen for functional as well as geographical reasons. It seemed to me there was a creative idea in Prince Wan's suggestion that the Disarmament Commission might remain a consultative body with sub-committees composed for purposes of negotiation, in accordance with the function to be performed. These are questions which must be considered urgently, whether in accordance with the interesting suggestion made by the Foreign Minister of Mexico, or in some other way. We are not ourselves disposed to let old forms and traditional attitudes stand in the way of new measures to suit the times.

As for the Soviet resolution on the diversion of expenditures from defence to economic assistance, I shall be brief. The basic conception is an admirable one which we have been advocating for years. There seems to be widespread doubt, however, whether in its present form it is intended to be taken seriously. The less-developed countries have had little enough from the Soviet Union except tracts

and bad advice. We are pleased that somewhat belatedly the Soviet Union has begun to supplement this kind of intervention with economic and technical assistance, although it has been notably reluctant to divert much of this through even-handed agencies like the United Nations or other non-partisan organizations. It seems to me that it is incumbent upon the Soviet Union to begin correcting the enormous disproportion between its defence expenditures and its meagre contributions to needy countries outside its orbit, before calling on other countries with far better records to do likewise.

Mr. Chairman, there are always sound grounds for discouragement about the progress of disarmament. This debate has itself produced good cause for anxieties. Nevertheless, I still believe, as I said in my opening statement in the plenary session, that there are hopeful prospects. The reason I believe prospects are somewhat better than they have been is that we are coming closer to reality than we have in the past. Too often our debates on disarmament in this and other bodies have seemed more like the bandying of fine phrases and a contest for favourable repute, rather than an effort to adjust the gross facts of international life in the direction of disarmament. For this reason I have confined my remarks today to what seem to me to be the concrete issues facing us right now, rather than Utopian visions which have their rightful place in our thinking, but which have too often beguiled us from getting down to business.

As I have said, it is not unrealistic even to be optimistic about the trend of this debate. The Canadian Government, for its part, welcomes the fact that in spite of obvious differences there is a wide measure of basic agreement among us.

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INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 58/48

THE NEW DIMENSION OF SPACE

Statement on outer space by Mr. C.S.A. Ritchie,
Canadian Permanent Representative to the United
Nations, in the First Committee of the thirteenth
session of the General Assembly, on November 18,
1958

Other speakers in this debate have rightly pointed out that the projection of human enquiry and endeavour into outer space creates tremendous new potentialities which are capable of application either for the advancement or for the destruction of mankind. We have no natural reason to assume that man's activities in this new dimension of space will be any more kind to his fellow man than they have been in our earth-bound experience in the past, unless concerted efforts are made to guide them into constructive channels. It is, therefore, vitally important that we should develop soon a positive international programme of co-operation and research in the peaceful uses of outer space.

Such uses are no longer a matter of theory alone. Their initial stage is already a hard fact and raises problems which can only be satisfactorily solved by international action and agreement. Experience has already shown that information of great value can be obtained from earth satellites. We confidently anticipate that the value of this information will be enhanced as instruments are sent farther into space. Every effort should be made for the free exchange and distribution of the scientific information that results.

Space exploration, whether manned or unmanned, will be capable of important civil as well as military applications. It will raise a host of significant problems, to which previous speakers have in part referred. It will take place in a region where national sovereignty is at least doubtful but which might be claimed or dominated by those nations which can gain a technical lead. The development of space vehicles requires enormous financial and technical resources and a

large body of competent scientists and engineers. It also requires large uninhabited test ranges which must, nevertheless, be reasonably accessible. Only the United States and the USSR have so far been able to devote resources sufficient for a comprehensive national programme of space exploration.

There is a manifest need to promote an international regime for outer space, to establish the rule of law there while there is still time, and to maintain the freedom of space for peaceful activities.

In a speech in February this year, the Canadian Prime Minister emphasized that the establishment of rules and principles in conformity with justice could not be delayed. He urged that outer space should be regarded as beyond the control of any nation and should belong to the world as a whole, and that the jurisdiction of outer space should be vested in the United Nations. If this were done, he envisaged that an international space agency might be set up which would have inspection and control powers covering all operations of outer space, and which would ensure that outer space was used for scientific and peaceful uses only. He also envisaged the possibility of a declaration that every nation, however weak, should have the same territorial rights in space as the most powerful; and of an international convention designed to ensure that the launching of all space missiles would be subject to prior notification and full dissemination of the information obtained.

We should also take account of the Secretary-General's views as expressed in the introduction of his Annual Report on the work of the United Nations for 1957-58. There he pointed out that the beginning of space exploration created a new challenge to the development of international law. He expressed the hope that it would be possible to move ahead toward agreement on a basic rule that outer space, and the celestial bodies therein, would not be considered as capable of appropriation by any state, and an assertion of the overriding interest of the community of nations in the peaceful and beneficial use of outer space.

These may be regarded as long-term objectives. In the short term, the first requirement is clearly to define the limits of outer space and the nature of the manifold problems which human activities there will raise. The distinguished Representatives of Brazil, Italy, the Netherlands, Peru and Sweden, among others, have already indicated many of the problems of a juridical nature which will arise. In the eventual solution of these problems the International Law Commission may well have a useful part to play. There is also a wide variety of problems of a technical nature to

which such Specialized Agencies as UNESCO, the International Civil Aviation Organization, the World Health Organization and the International Meteorological Organization will have a considerable contribution to make.

Transcending these questions, however, is the fundamental problem of resources. If the international regime we wish to establish for outer space is to have practical validity, it is essential that space exploration should not become the province of a few major powers alone. States that do not dispose of resources sufficient to take an early lead in projecting vehicles into outer space should not be denied the fruits of such research and exploitation.

We must, therefore, examine the international means which might be devised to enable other nations to participate and co-operate in this field of technical endeavour. This might be done by entrusting all space exploration activities to an appropriate United Nations body. On the other hand, it might be more practical to continue national programmes, preferably without secrecy and under the co-ordination of such a United Nations body, thus allowing an international programme to be developed with the assistance of the material resources and technical information of the major powers. In any case, the possibility should be examined of extensive international collaboration in space exploration, and not merely the co-ordination of national projects and the exchange of information.

The draft resolution before us which Canada has joined in sponsoring (Document A/C1/L.220 of November 13) provides for the establishment of an ad hoc committee to examine these matters and to report to the next session of the General Assembly. This, we think, is a practical approach. This afternoon the Soviet Representative introduced a new proposal which seems at first sight to represent a welcome move in this direction. We shall all wish to study this text closely, of course, before expressing any final opinion upon it. We hope that a unanimous approach to this problem may be at hand. In any case, we trust that the terms of reference of whatever preparatory body is set up will not be regarded as restrictive or all-inclusive. Any aspect of the peaceful uses of outer space which might appropriately be of concern to the United Nations should be the legitimate business of the proposed ad hoc committee. For example, the committee might usefully receive, exchange or collate information on outer space contributed by member governments. It might also examine means of pursuing the outer space research started under the International Geophysical Year.

Canada will have a contribution to make in this regard. The Canadian programme for the International Geophysical Year has included work in all the related disciplines. Although Canada has launched no satellite, Canadian scientists have assisted in tracking satellites and have supplied information on trajectories.

As a consequence of its latitude, the upper atmosphere over Canada presents unique environmental conditions of ionization and radiation to high altitude rockets and satellites. Canada for twelve years has carried on a major research programme into the ionosphere, aurora, meteors, cosmic and solar radiations and the geomagnetic fields.

With the advent of high altitude rockets and satellites for atmospheric and spacial investigations, an expanded programme of high altitude rocket instrumentation and research has been initiated. Canada has been acting as host to the United States IGY Rocket Programme at Fort Churchill, on Hudson Bay, and various Canadian agencies have assisted the United States Rocket Team by supplying needed information. The first two Canadian instrumented rockets were successfully fired at the Fort Churchill range this month. Additional rockets will be fired in 1959. A high altitude rocket of Canadian design and using solid propellant is under development. To facilitate the tracking of high altitude rockets and satellites at extreme ranges, a very powerful radar station is now being installed at Prince Albert, Saskatchewan.

To do its job properly the proposed ad hoc committee must be a good technical body, capable of producing an expert study of what has been done and what can be done with respect to the peaceful potentialities and resources of outer space. It will be an exploratory body rather than a decision-taking or executive body. For this purpose the primary and essential criterion of membership should be the technical and scientific experience of the countries to be represented. After that, geographical representation should be taken into account in order to ensure that the most important regions of the world are represented. We agree with the Australian and Brazilian Representatives that the Committee should be of manageable size but not too restrictive. We also agree with the United States Representative that it should consist of government representatives assisted by scientific advisers.

My Delegation believes that it would be advantageous to examine in this way the possible forms of collaboration and to hold preparatory discussions on the nature of an international agency in this field, without waiting for agreement on the difficult problems of disarmament. We believe it is possible and desirable to separate the peaceful use aspects

from the disarmament aspects at the present stage. But, of course, the two are closely related and the disarmament aspects of outer space are related to the general problem of disarmament. The peaceful use of outer space under an international programme should not give military advantages to any particular countries.

We also believe that it is of urgent importance to consider the disarmament aspects of outer space in an appropriate manner. No country more than Canada, which could be at the centre of a missile war, desires to ensure that outer space should not be used for destructive or aggressive purposes. We think, however, that this should be dealt with, and dealt with urgently, by the United Nations organs set up to consider disarmament. In August 1957 Canada joined with the United States, the United Kingdom and France in proposing the establishment of a technical body to study the design of an inspection system to ensure the peaceful uses of outer space. This proposal was endorsed by the General Assembly in resolution 1148 (XII) adopted last year. I wish to reiterate it now.

The time to control missiles in outer space is now, not when large numbers exist. The Canadian Prime Minister, in commenting on the Soviet announcement of the first successful test of an ICBM in August last year, expressed the hope that the first effect of that event would be redoubled sincerity and effort to ensure that the passage of time did not bring to the problem of missiles the complications which delays in reaching agreement had introduced in the field of nuclear weapons.

However, we are not interested in mere pious declarations. The restriction of outer space to peaceful purposes only, must be controlled and must be part of a balanced disarmament programme. We were glad to note that the Soviet Representative has also recognized, as he said in his statement last week, the necessity for control to be established within the framework of the United Nations over the implementation of such measures.

We agree, as we always have, that all aspects of disarmament are related. There can be no question of accepting the elimination of all bases in order to secure the establishment of a United Nations space organization, but it would not be unreasonable to expect that any serious discussion of the disarmament aspects of outer space would take into consideration other aspects of disarmament that were strategically related. It would appear to us that any agreement related to the prohibition of use of outer space for war-like purposes can scarcely fail to provide for international restrictions of some sort on all missiles over a certain range.

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INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 58/49

CANADA AND UNESCO

An address by Dr. N.A.M. MacKenzie, Chairman of the Canadian National Commission for the United Nations Educational, Scientific and Cultural Organization and Chairman of the Canadian Delegation, to the tenth session of the General Conference of UNESCO in Paris, on October 8, 1958.

I am happy to join with others in thanks and congratulations to France who is this year our host and in whose fair land the permanent headquarters of The United Nations Educational, Scientific and Cultural Organization is now established in new and interesting buildings. We all know that these buildings in this beautiful city have been made possible by the generous attitude and the practical help of the French Government and the French people. For this we are grateful, though not surprised, for France has traditionally been "a mother of the arts", and what she has done, and is now doing, for us is very much a part of that tradition. I, myself, remember 33 years ago when, as a young member of the staff of the International Labour Office in Geneva, I had occasion to attend what was our precursor, the Committee for Intellectual Co-operation of the League of Nations. Some of you will also remember that France provided, here in Paris, the physical headquarters of the Institute for Intellectual Co-operation.

This is the first time that I have had the pleasure and the honour of being present at a meeting of UNESCO, but I have been interested in its work ever since its inception. In fact, in September 1943, as a representative of the Government of Canada, I attended a conference near Washington, D.C. to discuss with the representatives of other countries possible programmes which were later to become the responsibilities of UNESCO, and I have followed the activities and developments of this body ever since. This because of my growing conviction, which has been strengthened by my experiences during the past two or three days, that human beings are, and fortunately will continue to be, very different from each other. The only methods that I know of getting them to work together for their general good and for the solution

of the many problems which confront them are coercion or through effective and voluntary co-operation. History has taught us that coercion can never suit the needs or be acceptable to human beings. The possibilities of persuasion and co-operation are now in the process of being tried out through the United Nations and its various Specialized Agencies like UNESCO. I know too well the difficulties that UNESCO has encountered since its inception and I know, too, the criticisms directed against it in many countries but, despite this, I also know that the most difficult and the most important areas of concern in this world today are not science or technology or economics, but rather the whole field of human relationships, the relationship of men and women as individuals, in groups, in classes and, particularly, as races and nations.

I have mentioned earlier the reality of the differences between us and among us and cited this Conference and the different approaches of its members to our problems as evidence of this. Furthermore, I am persuaded that unless we human beings can co-operate together intelligently and effectively and can devise ways and means of dealing with and overcoming the many and complex problems which beset us, and do all of this without resort to violence and destructive war, there is no hope anywhere for any of us now or in the future.

My main concern about UNESCO is that its areas of interest and of operation are so vast, the problems that it deals with so intangible and hard to come to grips with, and the evidences of its constructive results sometimes so difficult to determine and assess, that practical-minded men and governments will not provide it with the resources it must have, or have the patience to allow it to work out its proposals and its programmes to satisfactory conclusions.

It is in the light of this general introduction that I would now like to try to put UNESCO into a Canadian context.

In stating these views, I believe I am giving you the opinions of most of my thoughtful fellow citizens. It is true that only last year have we been able to establish our National Commission for UNESCO (of which I have the honour to be Chairman), but that was not due to any lack of goodwill toward UNESCO or any doubts about the importance and value of its work. Our difficulties, as so frequently happens, have been legal and constitutional for in our country much of the work which UNESCO does, and in particular its educational activities, are within the jurisdiction of our provinces. However, we seem at last to have been able to surmount these obstacles and we will, I hope, be able to take a larger and more effective share in UNESCO's work and programme. But if this is to happen, I feel it both essential and desirable that individual Canadians and non-governmental organizations and groups, in Canada, be involved and participate to a far greater extent than has been true in the past in the actual

work of UNESCO. It is not enough, in my opinion, to be a donor or beneficiary nation if that means merely the contribution or receipt of moneys by governments and the occasional provision or use of experts and information in areas where both are useful. In saying this, I am not suggesting that the limited funds available to UNESCO should not be used in the areas of greatest need, nor am I suggesting that we should have spent for the benefit of Canada the equivalent of the contributions we may make. I am urging, for Canada and for all other countries, that the programmes and projects approved by UNESCO should be designed to interest and use the human and material resources in our member countries. As an illustration, may I cite one of UNESCO's major projects, "The Mutual Appreciation of East-West Cultural Values". There is in Canada a good deal of interest in this, and a survey just completed by our own National Commission indicates that we do have resources, both human and material, in this field. My concern is that somehow or other UNESCO will be able to use these, and, in doing so, bring to the personal attention of many Canadians the fact of its existence and the reality and value of its work.

Then, too, in the exchange of persons programme, whether these be technical "experts", scholars, artists or members of trade unions, I hope that UNESCO will arrange a real exchange in the sense that individuals come in as well as go out from our respective countries.

I hope, too, that UNESCO and those responsible for the implementation of its programmes will do everything possible to meet the particular needs or conveniences of the individuals in question and of the institutions to which they are attached.

As far as the current programme of this UNESCO Conference is concerned, Canada is interested in two major matters of principle: the first the nature and effectiveness of the programme and the second the intelligent and efficient use of all the moneys contributed. Specifically, this means that we should proceed with the few major projects or proposals which seem particularly important and we should devote most of our attention and resources to these. In this matter of the programme and the budget too, I believe that it would be well to consolidate our position and to assure ourselves that what we have done and are doing are both worth doing and the most important that we can do. For the next few years at least, we should stabilize our budget at about its present level, subject always to changes in the value of money or to special circumstances which may arise. This, to give us time to appraise what we have done and are now doing with a view to the elimination of the unimportant or unessential items, and the more adequate support of the really worth while.

In saying this, I do not want to suggest that Canada is not interested in UNESCO or does not believe in the importance of its work, but every year our Government asks Parliament to appropriate money for the support of UNESCO, the Colombo Plan, the World Health Organization, the Special Fund and other international organizations and programmes. All of these have to be examined together, and the importance of the work done, considered and compared in competition with many other urgent claims upon our Treasury.

As you will have gathered, my own people were Scottish in origin and the Scots still have a good deal of influence in Canadian affairs and Canadian finances. One of the most notable characteristics of the Scots is their ambition to insure that every dollar spent is well spent and will achieve the absolute maximum in terms of constructive practical results. This attitude and characteristic does perhaps help to explain the position we have taken and continue to take in respect of the programme of UNESCO and its finances.

And now, Mr. President, in conclusion I would like again to express, on behalf of my country and all my colleagues here with me, our congratulations to you and our thanks and our appreciation to your country. I also include in these expressions of appreciation the Director-General and members of the Secretariat who have been performing a most difficult and important task in most difficult circumstances. To them, and in particular to the Director-General who is an old friend and an honorary graduate of my own university, I extend the good wishes of Canada and her people.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/50

THE PROJECTION OF CANADA ABROAD

An address by Mr. R.M. Macdonnell, Deputy Under-Secretary of State for External Affairs, to the Twelfth Conference on Canadian Information Abroad, at the Seigneury Club, Montebello, Quebec, on November 20, 1958.

I greatly appreciate the honour of your invitation to address this Conference on Canadian Information Abroad, and I should like to say how much Mr. Norman Robertson, the Under-Secretary, regrets his inability to be present. These peaceful surroundings provide a setting of quiet charm for the examination of problems in which we all have lively interest and which, I am told, have been known in other places to generate emotion as well as understanding.

In such a gathering of experts in the information field, the non-expert - and I am certainly one - may seem out of place. Nevertheless, if it is agreed that business representatives and government officials can with advantage exchange ideas on the problems and possibilities of information work abroad - and this much seems to be agreed - some comments on the role of government services are required from someone. It will be my endeavour to submit these comments for your consideration.

I think you will agree that if this Conference is to be useful, it must not only explore and discuss, but must try to achieve understanding and co-operation between business and government representatives in the promotion of Canadian interests abroad. My Department and, I am sure, the other departments and agencies, in association with which the business of Canadian Government information is carried out abroad, earnestly welcome all constructive approaches to that problem.

It is a truism that public information has become part of the machinery of international relations. How does a government, or how should a government, go about promoting its interests abroad through the use of information? The

objectives are of two kinds, the particular and the general, and the particular are easier to explain than the general. There will not be a great deal of argument about the desirability of fostering the export of Canadian farm, forest, fishery and factory products. The same is true, at periods when immigrants are being sought, about taking steps to encourage desirable immigrants to come forward. There may be disputes about methods and the amount of money that should be spent but the objective is clear and generally acceptable. Moreover, the results can to some degree be measured.

Where there is less clarity and agreement is in the business of making the country known and understood abroad. The general objective of helping the rest of the world to understand what makes us tick, why we react as we do, what are the reasons for our domestic or international actions - this general objective can be interpreted in many ways. Some point to the risks of wasting time and money and hold that it is of little consequence what Asians or Latin Americans or anyone else, except perhaps our neighbours in the United States, think about Canadians and their policies. Others would double or treble the funds now available and would project a great many more aspects of Canadian life than is done at present. There is room here for much divergence of opinion, but the view has gained ground steadily since the war that Canadian policies will be more readily respected and accepted abroad if we explain them and the facts behind them not merely to governments, but to public opinion.

In this regard, and to provide an element of continuity, I should like to quote from an address given by Mr. L.D. Wilgress, then Under-Secretary of State for External Affairs, exactly six years ago to a similar conference here in Montebello.

" Unless Canada can secure the co-operation of other countries, we are not going to get very far in working out the kind of world that Canadians want. We cannot hope, nor should we want, to impose ideas on others. But if we are to seek the co-operation of other governments, it is not enough to speak as government to government. The public opinion on which those other governments rest must know something about us, what we stand for, how we do things, in general what our record looks like. At a General Assembly of the United Nations, the late Fiorello LaGuardia, speaking on behalf of the United States Government in a debate on post-war relief and rehabilitation, said that his delegation was prepared to accept any solution of a particular problem proposed by the Canadian Government because of its record of responsibility and good judgment in that field. It should be our objective to make our country's record known and to tell a complete story - not concentrating on the exceptional and the extreme,

but giving a balanced picture of what is broadly characteristic. In other words, we have our share of difficulties as well as our achievements."

Against this background, let me speak in more specific terms about information policy as seen from the Department of External Affairs.

First, a word about the limitations under which government information must operate. An obvious limitation is the fact that the information we dispense seldom, if ever, makes news. A single well-timed statement such as Prime Minister Diefenbaker's last year, at Dartmouth, can do more to focus attention in the United States on the problems of Canadian - United States relations than all our representatives could achieve in a year of work. It is reasonable to think, however, that the result would not have been nearly as effective had it not been for the time spent by our Embassy and consulates in recent years, in preparing public opinion for just such a contingency.

A second limitation derives from the fact that the role of government information is, by and large, supplementary to existing channels through which people in other countries obtain their impressions of Canada. A last but important limitation arises from the territorial scope of our operations, with consequent staff and budgetary implications.

These factors, and others, affect our activities in two distinct ways: first, our planning and execution are tied to a system of priorities: of geographical areas, of themes and of media. Secondly, our information service is chiefly responsive, which for us is not a synonym for inactive. Its main job is to use every opportunity that arises to make Canada better known and liked, to create a context of understanding and sympathy in which, when the need arises, Canadian policy may be properly interpreted, new developments correctly assessed, and Canadian interests usefully promoted.

The bulk of the impressions that people in many foreign countries receive about Canada come to them through international news, picture, radio and television organizations, through business connections, through labour, educational and cultural associations, through the exchange of visitors and students, through international professional contacts, through private correspondence and in many other ways. While the Government plays only a limited part in this constant flow of impressions, they pose for its information services numerous tasks of interpretation or elaboration required for an accurate and balanced portrayal of Canada. It is to this supplementary task that we address ourselves in countries where press communications and all manner of exchanges with this country are well developed. In other countries, we have the additional task of providing the basic news and information which is lacking, and of promoting closer contacts with Canada

through appropriate cultural activities.

If the Government is not concerned with providing rapid press services, it does, however, keep its officers abroad supplied with full texts of important statements and other documents, with publications and reference photographs, films and radio transcriptions, books for library use and presentation, briefly, with the information materials needed by each mission to interpret policy, correct misconceptions, and deal with enquiries and requests from foreign government departments, press organizations, writers, schools and public. On our officers in the field at diplomatic posts, at separate trade missions, and at offices of the Film Board, on the CBC-IS and the Travel Bureau, rests the burden of this effort. Their knowledge of local conditions, needs and possibilities plays an essential part in shaping our information programmes, and our own efforts are directed to helping them make the most of their opportunities. Co-operating in this task is a team comprised chiefly of Trade and Commerce, Immigration, the National Film Board, the CBC International Service, the Exhibition Commission, the Travel Bureau and External Affairs, whose varied efforts are co-ordinated through the Inter-Departmental Committee on Canadian Information Abroad. All this represents, you will agree, an impressive sum of talent, effort and money devoted to achieving the objectives I have described.

Now in this effort to create a balanced picture of Canada in the minds of foreign peoples, what are the themes we develop? Generally speaking, our record of working for peace as a responsible member of the international community, and our willingness to help less-developed countries, provide good and true copy. At the United Nations, our work on disarmament and in the Security Council, our participation in the Emergency Force in the Middle East and in the Truce Observation Commission in Kashmir, are a few examples of the constantly active support Canada has given to the organization and its Specialized Agencies. In Europe, our Brigade Group in Germany and our fighter squadrons in France, as well as the shipments of arms to our European allies, testify to our active participation in the NATO alliance as to our determination to defend ourselves against any threat of aggression until the United Nations is strong enough to do the job for which it was created. In the Commonwealth countries, our considerable investment in Colombo Plan aid and technical assistance, our aid to new members such as Ghana and the West Indies Federation, and initiatives such as the recent Trade and Economic Conference, show our sincere desire to strengthen the bonds of Commonwealth co-operation and solidarity.

In the United States, our relations of all kinds, political, economic, social and military, supply a wide range of problems and information topics. In other countries, Canada's industries and the size of its commerce, its schools

and cultural activities are useful topics, but of even greater interest are events that occur in the developing relations between Canada and each one of these countries.

These are the basic themes we publicize in many lands, and in several languages. We do it through the use of all the press media, as well as exhibitions, speeches and personal contacts. We try to adapt our material and methods to the conditions and people of each country, and as far as possible we work through the nationals of these countries. We try not to boast or talk down to people; we do not seek to impose our ideas, but we watch for every opportunity to let the record speak for itself. As to facilities, our resources are generally sufficient for our present tasks. But progress has been made, or so we think, in the quality of our materials and in the accuracy and balance of our programmes. We shall continue to work on that.

I have sketched here an outline of the purpose, organization and operation of Canadian Government information abroad. That is only part of the story, for a complete picture of Canadian activities abroad would emphasize the very considerable amount of advertising and other publicity which Canadian firms undertake outside the country, particularly in the United States. This we find helpful especially in trying to get across the idea that Canada is not a vast wilderness peopled largely by Indians and Eskimos, with Mounted Police standing by to collect the taxes we pay to the British Crown, when they are not getting ready for another version of "Rose Marie". These misconceptions are amusing or irritating according to taste but, in any event, are disappearing. There is a more important area of ignorance concerning Canada's development as a nation -- its industrial accomplishments and defence record, its cultural development, its past and present responsibilities in international affairs--which is much less comical, and to which we must address ourselves with imagination and energy. Although they are doing a good job, it isn't fair to leave it all to Wayne and Schuster.

I might now make a few suggestions which have occurred to the Department for improving the effectiveness of information work abroad, and possible ways in which the various business and government organizations might co-operate to their common benefit.

First, I wonder whether we could co-operate to a greater extent in making use of each other's materials. We have just produced a new edition of "Canada from Sea to Sea", a basic booklet on Canada of which you have, I think, a copy. A few years ago, one of the railways had us print 100,000 additional copies of the previous issue for distribution through its offices abroad. We should be glad to extend the same opportunity again to any of you who think

it worthwhile. On our side, we purchased some time ago a few thousand copies (all that were available) of an excellent booklet put out by the Northern Electric Company, and more recently, an attractive booklet produced by Canadian General Electric was reprinted by Citizenship and Immigration for use abroad. My Department is now considering a similar step. Would there not be more opportunities for useful exchanges of this nature?

In this connection, I wonder if Canadian industry is not overly modest in telling other countries about its accomplishments. I am thinking particularly of the part played by Canadian industry in making their facilities available for technical training to Colombo Plan students, and in industrial and production work undertaken in Canada for the benefit of Asian countries. The Government is doing its best to spread information about the Colombo Plan through pictures and newspaper stories about the trainees which are forwarded to the countries concerned, but it seems to me that in its own interest Canadian industry might share effectively in this work. Our missions in the countries concerned would be glad to help in securing outlets.

My Department, perhaps others also, has a programme of assistance to visiting foreign journalists which, though modest, is nevertheless an important source of foreign public knowledge of Canada. We have in the past, according to the interest displayed by the visitor, arranged visits to certain industries where they were cordially welcomed and shown around. It would help if we had a list of all the industries interested in receiving such visitors, so that we might approach them when planning our itineraries.

Turning to the United States, and without going into details which may be the subject of our discussions, I should like to mention three information projects which might be of some interest to all of us. The first is the nation-wide "Canada Month" of study and games to be undertaken by the Cub Scouts of America, their parents and leaders. The Government has provided the literature required for this purpose, including travel booklets and a specially designed folder of which you have a copy. Their theme (The Mounties) is not perhaps original, but this is an instance where, bowing to the inevitable, we have to use the Mounted Police as a stalking horse, so to speak.

The second project is on a different level and presumably of wider interest. "Canada Week in Boston" next April should be an elaborate show, comprising as it does a Canadian trade exhibit and an impressive number of cultural, educational and entertainment events.

Lastly, our participation in the Chicago Fair next July will perhaps attract the co-operation of some of you. This is an area which offers, according to our Consul General, Gerry Newman, the possibility of expanded Canadian trade. It is also, as you recall, one of the areas referred to in the Batelle Report which the Conference discussed two years ago.

In the work we are doing abroad, all of us have an opportunity of telling the story of Canada's accomplishments and promise. It is an inspiring story, and in many respects unique. Our information services try to tell that story in its various aspects and in different ways, not for the sheer joy of telling an adventurous story - for that is only an incidental part of their function - but in order to enlist understanding and acceptance of a wide variety of things Canadian - products, policies and points of view. At times, I suppose, they even support some of our national prejudices, such as a prejudice in favour of being Canadian. Working in co-ordinated fashion, as a team, the Government information services contribute a sum total of effort that is impressive, and the result in terms of understanding and goodwill is important and cumulative. It seems to me that Canadian business has much to gain by participating wherever it can in building up such a fund whose benefits are continuing and available to all. I hope that we may at this Conference, be able to take some positive steps in that direction.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/51

REPORT FROM THE PRIME MINISTER

A CBC broadcast by Mr. Diefenbaker, December 21, 1958, on his visit to Europe, Asia and Australasia.

My fellow Canadians,

As you know, I have recently returned from an extended series of meetings with the heads-of-state and others in Western Europe and Asia. The purpose of these meetings was to discuss and assess the responsibilities which Canada has assumed within the framework of the North Atlantic Treaty alliance and the Commonwealth of Nations for the maintenance of world peace and the advancement of the universal brotherhood of mankind.

Tonight I report to you on these discussions, without trespassing on the rights of Parliament to hear my report in detail. In these last few weeks, I have had the honour to speak and listen, on your behalf, to many eminent world leaders, as well as to Canada's Ambassadors and High Commissioners and other Canadians abroad.

In all these talks, I feel sure that substantial progress was made towards our individual and mutual objectives.

Je vous fais part ce soir de ces discussions, sans restreindre pour autant le droit qu'a le Parlement d'entendre, de ma bouche, un compte rendu détaillé de mon voyage. Au cours des quelques dernières semaines j'ai eu l'honneur de m'entretenir, en votre nom, avec les dirigeants de divers Etats, ainsi qu'avec des ambassadeurs et haut commissaires du Canada et d'autres Canadiens se trouvant à l'étranger.

Je suis sûr que, dans tous ces entretiens, nous avons progressé vers nos objectifs tant mutuels que particuliers.

There is no substitute for personal experience - for the "feel" of places and peoples that comes with even a moment's participation in their way of life. My visit to the lands of Asia and of the Commonwealth was made with fresh eyes eager to see, to learn, to absorb and to determine for myself the spirit emerging in those societies.

I have come back more convinced than ever of the importance of these personal meetings with national leaders. The more we know each other, the more likely we are to find amicable solutions of our differences; to understand the viewpoints and problems of others; and to appreciate the basic goodness and goodwill in the hearts of human beings. This is something that can never be communicated through third parties, or by correspondence or diplomatic exchanges.

In essence, I am able to say to you, my fellow Canadians, that there is real hope for the maintenance of the peace in spite of the great problems that still confront us, because there is among most of the leaders of the nations, a determination to confine and confound the schemes and ambitions of those who would destroy that peace. There is a high resolve among the free nations to work together constructively and positively, as never before in history, to maintain a strong and united front as an effective deterrent to aggression.

There is another vital reason for the importance of these talks with world leaders. The normal diplomatic channels are still of the utmost importance, but there are times when direct communication between those in high authority, often by long distance telephone, becomes desirable and indeed essential. I need only mention the fact that there is a world of difference between speaking to someone, under such circumstances, whom you have never met, and the kind of frankness and understanding that is possible with one whom you know personally.

I can think of no one whose personal friendship and understanding has meant more to me in the regard than the Rt. Hon. Harold Macmillan, Prime Minister of the United Kingdom. In London we resumed those very important discussions which have been going on for some time, on many levels of government, about the trade and other relationships of our two countries. I need remind no Canadian of the importance of those traditional markets for our goods and services, because they have, from the earliest days, been the backbone of our development and prosperity. It is here, and in the related Commonwealth countries of the British trading orbit, that we must expand our mutual trade, if our Canadian economy is to have that level of earning from overseas trade which is necessary to offset our excess of imports over exports in our trade with the United States.

I am glad to report that there are excellent prospects for further expansion in Canada's trade with Britain in the immediate future. One of the major contributing factors has been the success of the Trade and Economic Conference held in Montreal. The spirit of mutual self-help engendered there is still very much alive in Britain and in many other Commonwealth countries.

We crossed from the Old Land to France, where, for the first time, I met General De Gaulle. France has passed through a time of crisis in the evolution of her Parliamentary institutions. I shall not comment on the prospects of the new Fifth

Republic other than to say that I found the new head of that ancient state to be a man dedicated to his fellow citizens and prepared to devote his talents to the cause of France and her allies among the free nations. Our own direct interest as Canadians in the future of that great country was once again brought home to me in my visit to the headquarters of NATO, the Atlantic bastion of freedom against the floodtide of communism.

I must pass over quickly my visit to the other NATO countries, West Germany and Italy. I had previously met Chancellor Adenauer. Our talks added more to my admiration for him and for what he is doing to maintain, for the rest of the free world, the vital salient of the front line of freedom. Here we met our Canadian troops and their families. It is with the greatest pride that I report to all Canadians that the men and women of our Armed Forces stationed in Europe are adding lustre to the name and fame of Canada by their exemplary conduct and professional efficiency.

I stopped briefly in Italy for talks with Prime Minister Fanfani. The people of Italy have long been engaged in an internal battle against communist infiltration. Its success is vital to world peace. It is my impression that the battle is being won and that this great nation, to which the Western world owes so much of its heritage, will stand firm on the side of freedom.

After an all too short meeting with Prime Minister Manushar Eghbal of Iran, I went on to Pakistan, in which delightful country we met many Canadians engaged in the great hydro-electric project at Warsak. This is a tremendous undertaking and the fine spirit of co-operation between Canadians and Pakistanis here is doing much to develop a new and important relationship between Canada and this populous new nation. It is a relationship which must, in the long run, prove mutually advantageous to both our peoples.

In Pakistan, as in India which we visited next, I experienced at first hand the warm desire of all the Asian members of the Commonwealth for the quickest possible bridging of the gulf between the East and the West of the freedom nations. That it can and will be achieved, I have not the slightest doubt, if we do our part. As a member of the Commonwealth, Canada has a significant role to play both in Asia and in Africa, where the vast majority of the members of the Commonwealth now live. The ties that bind are potentially strong. These new nations have joined us of their own free will and choice. They are extending to us the right hand of fellowship and it is my impression that, on both political and economic grounds, Canada is in a better position than any other Western nation to clasp these hands of friendship and so bring about an understanding between East and West.

The highlight of the Indian visit was, of course, our meetings with Prime Minister Nehru. I think he would allow me to say that our few days together developed an earlier acquaintanceship into a genuine friendship.

In Ceylon I met the national leaders in Colombo, the capital, well-known to all Canadians because of its connection with the Commonwealth plan of aid to less-developed Asian countries. This new nation has many problems still to be solved, but I am able to report that Canadian assistance to this, as to other Colombo Plan countries, is already paying dividends in the kind of practical goodwill that will make Canadians and their products acceptable and welcome.

In Malaya, we saw at first hand the struggle of the little nations of Asia against Communism being waged on a still active fighting front. This is one of the vital battlegrounds of the drive of international communism for the heart and minds of the Asians. Malaya seems a long way off to most of us, but I can assure you that the results of the struggle now going on in Malaya will affect the lives of Canadians for many years to come. It is a good thing for us of the West that, whatever our differences in other matters, we still have men like Prime Minister Tunku Rahman in many strategic places in the Asian world, who understand the terrible implications in a victory for communism.

The last of our talks took place in Australia and New Zealand, two Commonwealth countries with which Canada has many traditional political and economic ties. I found both Mr. Menzies, and Mr. Nash of New Zealand, hopeful about the prospects for expanding the two-way trade between our countries. I wish I had time to tell you of the fine relations Australia and New Zealand are developing with the new Asian nations. Quite recently Australia concluded trade agreements with Ceylon, Malaya and Japan, practical examples of that kind of mutual co-operation between East and West which must come quickly if the free world is to survive.

And now, finally, it is proper to ask: "What has been gained for Canada?" My predecessor in office, Mr. St-Laurent, when he returned from a similar visit around the world, outlined the many advantages of his experience and I feel sure that they are as valid today as then. The average Canadian derives a third of his income from our export trade. He has, therefore, a more direct and personal interest in our relations abroad than the citizens of other countries.

The leaders of many states whose activities are of vital concern to Canada have been met, and have themselves now met the new leader of the Government of Canada, which has a deep-rooted tradition of international responsibility. The Canadian viewpoint on many matters has been put before them - and they, in turn, have had an opportunity to express their own views and opinions.

But I would like to think that there are more lasting consequences than even these personal contacts, important though they are. I would like to believe that these visits re-emphasize our Canadian commitments to the highest moral and political standards of international goodwill, and to a continuation of that

participation in the affairs of the world which has given Canada an international status far beyond our numbers and even beyond the level of our physical and monetary contributions of recent years.

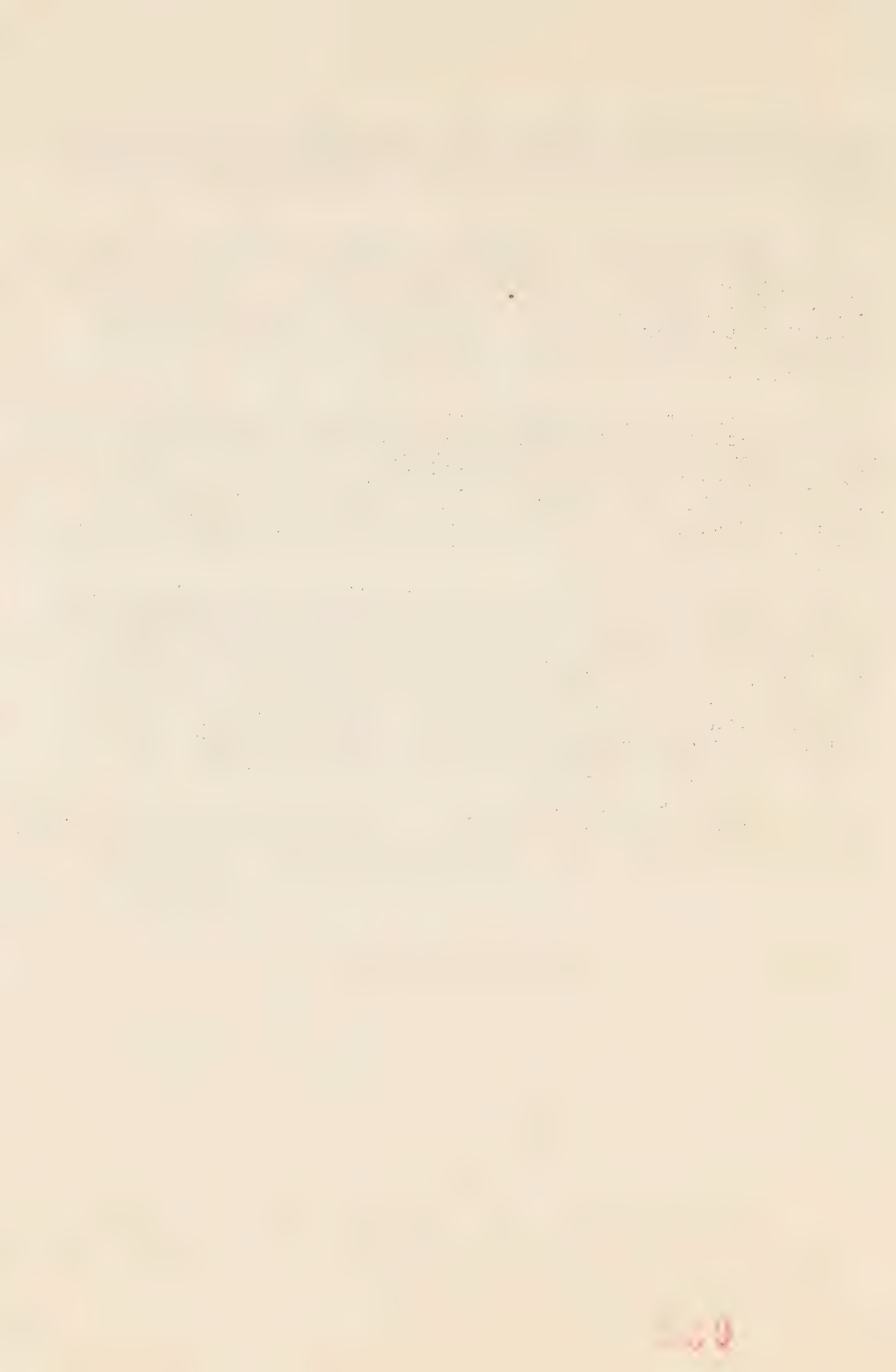
During my absence I have, of course, been in continual communication with the Cabinet here at home. I know that we still have problems of our own on the domestic front. It is here that my first responsibility lies. Every possible resource of the Government is being used to combat the national problems and individual hardships resulting from the world-wide economic slow-down.

It is a matter of great personal regret to me that some of these effects are still with us at this time. To inject a personal note, may I say my thoughts are very much with each of you, my fellow Canadians. I pray that the joys of Christmas may be yours in full measure; that the spirit of the blessed season be with you to comfort those in sorrow; to ease the cares of those who are sick; to lighten the burden of those in distress.

Mes chers concitoyens, j'ai en ce moment une pensée pour chacun d'entre vous. Puissiez-vous participer pleinement aux joies que nous procure Noël; puisse l'esprit de cette époque sainte de l'année reconforter ceux qui sont affligés; soulager ceux qui sont malades, et alléger le fardeau de ceux qui sont dans la misère. J'ai grand espoir -- et c'est aussi ma ferme détermination dans la mesure où il en dépendra de moi -- que la Nouvelle Année apportera à tous et à chacun d'entre vous des jours de paix, de prospérité et de bonheur. Bonsoir.

And for the New Year, my hopes are high and my determination firm that, in so far as it may be in my power, the days ahead will bring to each of you peace, prosperity and great happiness.

Goodnight.



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